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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

## Syrians stage Lebanon assault

Syrian forces launched a land, sea and air offensive in Lebanon yesterday in a sharp escalation of the civil war.

An official Damascus statement attacked Al Fatah for trying to partition Lebanon, while the Palestinian guerillas branded Syrian intervention for the first time as another "Black September."

In Israel it was noted that the number of Soviet warships in the Eastern Mediterranean is rapidly approaching the level preceding the Yom Kippur war. Back Page and Page 6

### Concern grows at race unrest

Racial unrest grew yesterday. West Indian spokesmen and the National Front announced the establishment of opposing vigilante "defence" groups in immigrant areas. Extra police were drafted into Southall where five youths were charged with the murder on Friday of Gurdip Chaggar. The Indian High Commisison is seeking a meeting with the Foreign Office to discuss the recent tensions.

Right-wing extremist Colin Jordan and two other men were charged with causing a breach of the peace following a demonstration outside a Birmingham courtroom. Inside, a man who had advertised his house for sale only to English people had been ordered to stay in jail indefinitely.

### Rees accused of IRA dealings

Mr. Airey Neave, Shadow Ulster spokesman, accused Mr. Merlyn Rees, Ulster Secretary, in the Commons of "recklessly misguided and dangerous dealings with the Provisional IRA." Mr. Rees said he was not engaged in talks with anyone. Page 16

### Primary doubt

It is likely that when the results of the three U.S. primaries today — in California, Ohio and New Jersey — are announced the presidential choice in both parties will still be in doubt.

### Dam toll mounts

Preliminary estimates of the damage caused by the collapse of an earth dam in Idaho on Sunday are near $1bn. There are five confirmed deaths though more than 100 are missing. Page 5. In Western Gujarat State, India, a severe cyclonic storm is reported to have killed at least 24 since Friday. In South-Eastern Yugoslavia flooding has caused extensive damage.

### Mine kills three

A woman and her two daughters were killed by a landmine explosion in Rhodesia near the Mozambique border.

### Yachtsmen jailed

Two French yachtsmen who broke the rabies regulations by landing dogs were fined £300 and £400 at Newport, Isle of Wight, and told they would be imprisoned for up to 90 days until they found the money. Meanwhile, the spread of rabies is causing alarm in Belgium. Page 6

### Briefly . . .

Richard Burton's lawyer said the actor was in Haiti to seek a second divorce from Elizabeth Taylor.

England were all out in the first Test for 332. At close of play the West Indians were 124 for 3 in their second innings. Page 15

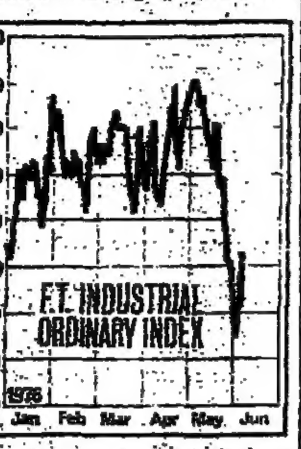
Princess Anne, who injured her back in April when she fell from her horse, is back on the list of probables for the Olympics.

The body of Mr. Paul Getty is likely to be flown to Los Angeles for burial in the next few days.

### BUSINESS

## Equities rise 4.5 to 383.0; gilts up

● EQUITIES received a late boost with the sharp rally in sterling. But demand was at a low ebb and the recovery mainly reflected marking-up by dealers rather than trading. The FT 30-Share Index, off most of the day, closed 4.5 ahead at 383.0.




● GILTS ended with gains of up to ½ and the Government Securities Index rose 0.29 to 61.67. The issue of another £800m. of Government stock, designed to replace the long tap stock which ran out three weeks ago, appears to have been well received. Back Page

● STERLING closed at $1.75725, up 4.05 cents. Its trade-weighted depreciation narrowed to 39.8 (41.2) per cent.; dollar's widened to 1.20 (1.03) per cent.

● GOLD rose $1 to $127.625.

● WALL STREET fell 3.31 to 958.09 as the prime rate rise, started on Friday, spread through the banking system.

### Industry likely to invest more

● MANUFACTURING INVESTMENT is levelling out after its decline and should rise again by as much as 15 per cent. over the next year, according to an Industry Department survey. But the Government is more pessimistic about investment by distributing and service industries. Back Page

● BUILDING materials worth £300m.—enough to put up 10 per cent. more homes—are scrapped every year on U.K. building sites, says the Building Research Station. Page 12.

● POST OFFICE should lose its monopoly in the supply and upkeep of telephone equipment, says a group of telephone users. Page 12. The £150m. profit by the Post Office's telecommunications section was defended by a union leader. Page 14

● NUCLEAR-EXPORTING countries have agreed on a list of nuclear materials and equipment which they will not export to other nations without safeguards. Page 10

● UNITED STATES will impose quotas on imports of special steels, President Ford announced. Page 4

● ALCAN Aluminium says it will take $25m. and up to three months to return its Quebec smelters to normal, assuming a quick settlement to the present strike. Page 5

● BRAZIL, in a new move to stem its balance of payments deficit, is curbing foreign travel by demanding that people going abroad pay a large deposit which will be held for a year. Page 4

### COMPANIES

● HAW PAR BROTHERS International sold its 30 per cent. stake in London Tin Corporation for 178p a share in an £11.6m. conditional deal. Back Page

● HANSON TRUST increased pre-tax profits to £7.82m. (£5.67m.) on higher sales of £75m. (£32m.) in the half-year to March 31. Page 21 and Lex

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Treasury 11½pc 1981 | £98¾ | + ⅝ |
| Treasury 12½pc 1993 | £88¾ | + ¾ |
| Automotive Products | 54 | + 5 |
| BSR | 110 | + 6 |
| Beecham | 374 | + 10 |
| Booth (J.) | 37½ | + 5 |
| "Bats" | 378 | + 8 |
| CCH Invs. | 30 | + 4 |
| EMI | 286 | + 5 |
| Glaxo | 390 | + 5 |
| Guinness Peat | 192 | + 7 |
| Hammerson "A" | 313 | + 6 |
| ICI | 359 | + 4 |
| Lane (Percy) | 29 | + 8 |
| Lindsay and Williams | 14 | + 2½ |
| MPI | 10 | + 2½ |
| Metal Box | 284 | + 9 |
| Ocean Wilsons | 122 | + 9 |
| Pilkington | 328 | + 6 |
| Polymark | 32 | + 4 |
| Radiant Metal | 22 | + 3 |
| Reed Intnl. | 262 | + 8 |
| Samuel (H.) "A" | 121 | + 4 |
| Smurfitt (J.) | 142 | + 7 |
| United City Mrchnts. | 29 | + 3 |
| United Engineering | 26 | + 3 |
| Weyburn Engineering | 275 | + 12 |
| Guthrie | 187 | + 7 |
| Charter Cons. | 158 | + 5 |
| Gold Mines Kalgoorlie | 35 | + 5 |
| London Tin | 170 | + 13 |
| Southern Kinta | 75 | + 5 |
| Southern Malayan | 168 | + 8 |

**FALLS**

| | | |
|---|---|---|
| Carless Capel | 65 | − 5 |
| Hawthorn Leslie | 34 | − 3 |
| Philips Lamp | 910 | − 50 |
| Ranger Oil | £14⅛ | − ⅞ |
| CRA | 295 | − 15 |
| Johannesburg Cons. | £17 | − ¼ |
| Vaal Reefs | £15¼ | − ¼ |

**Sterling up 5½ cents in New York ● Spending cuts resisted ● New 'Tap' stock**

# $5bn. standby credits boost £

BY ANTHONY HARRIS

STRONG commercial demand lifted the pound more than 4 cents in London yesterday after the announcement of a $5.3bn. central bank standby credit in support of sterling, and the later news that the miners had endorsed the Government-TUC pay accord. It rose 3 cents within half an hour of the standby announcement from the Bank of England.

After closing in London at $1.75725, wiping out virtually the whole of the previous week's fall, the pound made further ground in New York to finish nearly 5½ cents higher than Friday's close.

It touched $1.7787½ at one point, before closing at $1.7710, amid every sign that speculators, who had recently begun to borrow sterling to sell on a falling market, were facing a fierce bear squeeze in their efforts to cover their commitments. The European markets, the centre of much speculative activity, were closed yesterday but reopen to-day.

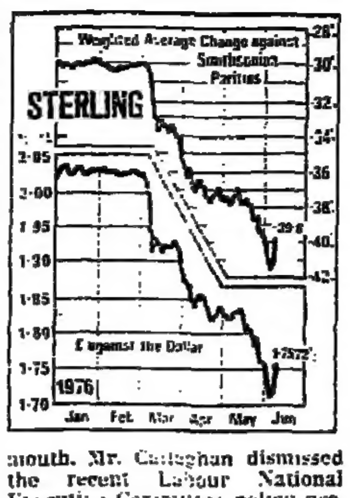
The standby credits have been made available to the Bank of England by central banks in the Group of Ten, together with Switzerland and the Bank for International Settlements.

They are unconditional for the time being at any rate, though if credits are still required after six months, the Government will have to go to the International Monetary Fund, which will impose "letter of intent" conditions.

Mr. Denis Healey, the Chancellor, announcing this "unprecedented gesture of support for sterling" in the House of Commons, firmly restated Conservative demands for public spending cuts and a reduced borrowing requirement.

The shadow Cabinet is determined to push its criticisms to a censure motion later this week.

At the same time, however, the Prime Minister was defending the spending cuts which have been announced for the next three years. Addressing a trade union conference in Bournemouth, Mr. Callaghan dismissed the recent Labour National Executive Committee policy proposals as "ideas for the 1980s."




Reasserting the need to stick to existing programmes and cash ceilings, Mr. Healey revealed that £400m. of the £575m. contingency reserve for the present financial year was committed during April, the first month of the year. But he said that the Government remained determined that the total would not be overspent.

Local authorities had been told that existing spending plans, which were £400m. above agreed levels, were "unacceptable." The Government also remained committed to controlling the growth of the money supply, and the Chancellor announced the issue of a new £800m. "long tap"—a 13¾ per cent. Exchequer Stock 1996, priced to yield 14 per cent. to redemption.

The core of his defence of sterling and of his policies, however, was the standby facility itself, which is clearly regarded by the Government both as a vote of confidence in its own policies, and as something of a political and dealing triumph.

There was acute disappointment in Whitehall that the market did not find its own "floor" at a considerably higher level than that reached last week, since the objective has been to re-establish a genuine two-way market in sterling at an acceptable level. But the precise timing of the support operation, just after some signs of commercial demand had appeared, took the market completely by surprise.

Editorial comment Page 18
Tap stock issue and Spending by manufacturers Back Page
Healey statement Page 16

As a result, the two objectives closest to the Bank of England's heart have been achieved for the moment: speculators have suffered a sharp loss, and there has been no need at this stage to use any funds from the reserves or the new facility.

Though the Chancellor told the Commons that outright speculation—short selling of sterling—has only been a minor factor in the decline of the exchange rate, its recent appearance has been disturbing, since the growth of the Eurosterling market has made very large funds available for speculative transactions.

Fear of further disruption, after the precipitate fall earlier last week, seems to have become general among the leading central banks, and Mr. Gordon Richardson, the Governor of the Bank of England, apparently found general agreement that a stabilising operation would now be appropriate.

The timing of the announcement, when the European markets, in which most of the speculative selling has occurred, were closed, was hardly accidental.

The standby arrangement is being generally described by the participating central banks—

Continued on Back Page

**£ in New York**

| — | June 7 | Previous |
|---|---|---|
| Spot | $1.7700-7720 | $1.7170-7180 |
| 1 month | 0.84-0.77 dis | 0.93-0.57 dis |
| 3 months | 2.47-2.37 dis | 2.52-2.47 dis |
| 12 months | 8.50-6.35 dis | 2.60-8.50 dis |

# Shadow Cabinet to censure Government

BY RICHARD EVANS, LOBBY EDITOR

CONSERVATIVE LEADERS are to continue their attempts to force an early general election by tabling a Commons censure motion to-day condemning the Government's handling of the nation's affairs.

The decision was taken last night at a heart-searching, 90-minute meeting of the Shadow Cabinet, despite a conciliatory move by the Government in postponing further consideration this week of the controversial Bill nationalising the main parts of the aircraft and shipbuilding industries.

Despite the postponement, offered to allow time for tempers to cool in the Commons, and the Chancellor's announcement of the £5bn. standby credit, the majority of the Shadow Cabinet clearly felt that they had gone too far along the road of outright opposition to the Government's policies to withdraw.

The censure motion will be deliberately drafted in broad terms—going well beyond economic policy—to attract maximum support from the other Opposition parties. It will take precedence over other Commons business and will be debated later this week, almost certainly on Thursday.

The prospect facing Mrs. Margaret Thatcher, the Conservative leader, when she launches the censure motion is of further accusations from Mr. James Callaghan, the Prime Minisiter, and Mr. Healey the Chancellor of the Exchequer, that she lacks patriotism and is damaging sterling when its level is rising.

Initial indications are that the Tory attempt to force an early election will not receive the support of the Liberals and some United Ulster Unionists.

For this reason, Ministers were not too apprehensive, last night, although there is every prospect of grave difficulties ahead for the nationalisation Bill and for other Government measures still before Parliament.

Liberal MPs will meet to-morrow to consider Mr. Cyril Smith's suggestion that the party should consider backing the Government in return for an agreed economic programme.

There was no sign yesterday that Ministers are prepared to budge on any of their more controversial measures. As well as the shipbuilding nationalisation Bill, Mr. Foot said that the Government intended to see the Dock Work Regulation Bill on the statute book this session.

### Conciliatory

Other Bills that the Opposition will try to kill or emasculate during the summer are the pay beds legislation, the education Bill, which starts its remaining stages in the Commons to-day, and the Bill abolishing tied cottages.

In a conciliatory move earlier yesterday Mr. Michael Foot, Leader of the Commons, announced that further Commons consideration on the Bill nationalising the main parts of the aircraft and shipbuilding industries is to be postponed.

In the face of protests from the Left-wing, Mr. Foot stressed that the Government had every intention of getting the measure on to the statute book this session.

Some Labour MPs, however, believe it will now be difficult for the Government, in a minority situation, to overcome the combined opposition of all other parties.

The aim of postponing the report stage of the Bill—originally due to-day and to-morrow—is to allow tempers in the Commons to cool in the hope that more normal relations can be restored between Government and Opposition.

Ministers realise that if the Tory ban on pairing is maintained, it will place an intolerable strain on Parliament and on the conduct of Government business.

Mr. James Callaghan admitted at a special meeting of the Parliamentary Labour Party last night that the weeks ahead would be extremely trying for MPs if the Conservatives maintained their attitude of non co-operation.

"But we can stick it longer than they can," he declared.

Mr. Foot went out of his way at the special PLP meeting to stress that the Government's programme would remain intact, despite this week's postponement. He said the delay would enable the nationalisation Bill to be considered in a calmer atmosphere and ensure that the question of hybridity was settled before the Bill reached the Lords.

The postponement of the Bill will allow time for the Speaker to rule to-day on a further point of order raised yesterday by Mr. Robin Maxwell-Hyslop, the Tory backbencher whose procedural ploys have already played havoc with the nationalisation Bill.

Mr. Maxwell-Hyslop, MP for Tiverton, argued that the right

Continued on Back Page
'Bailey will fight to end,' Page 10

# Miners approve pay pact policy by 53% vote

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITAIN'S MINERS lined up behind the Government-TUC pay pact yesterday, giving it and the Government a considerable boost. Just a week before the 4½ per cent. policy is due to receive landslide support at a special TUC, 53.4 per cent. of miners in a secret ballot gave it their support.

Although considerably less than the support which the National Union of Mineworkers lent to the present £6 policy, the 103,506 "Yes" votes out of a total of 193,893 were welcomed by the Government and moderate NUM leaders, who had feared that the margin might be even narrower.

### £100 demand

Mr. Joe Gormley, the moderate NUM president, immediately intimated that the vote might well pre-empt any debate on pay at the union's annual conference next month.

But Left-wingers, including Mr. Arthur Scargill, president of the Yorkshire miners, will seek to ensure that their 60 per cent. pay rises to give demands for coalface workers £100 a week will be aired at the conference.

When the widely predicted yet closely guarded ballot result was announced yesterday by Major Frank Britton, of the Electoral Reform Society, it was revealed that only five of the union's 22 areas had voted against the proposed 4½ per cent. pay policy.

But in virtually all areas there was evidence of a hardening attitude toward a further period of pay restraint since the resounding 60 per cent. support given to the present £6 pay policy last August.

In welcoming the result Mr. Gormley warned that miners might not be prepared to support a third year of rigid pay controls. "You cannot expect it to happen more than two years running," he declared.

As a result of the ballot the NUM will add its 255,000 votes to more than 5m. already lined up behind the £2.50 to £4 a week policy for next week's Congress. With only about 600,000 votes so far opposing the policy, it looks like attracting a majority of more than four-to-one, compared with the two-to-one backing given to the £6 policy at last September's annual Congress.

In addition to its propaganda value for the pay policy, the ballot result will give NUM moderates scope to head off Left-wing moves to tie the union's annual conference next month to massive pay demands which would challenge the policy.

Mr. Gormley said last night that a national ballot result was always the final deciding factor on any issue, and that next month's NUM conference would have to be guided by the result.

The NUM executive would have to take the ballot result into account when deciding whether certain pay resolutions should be debated at the conference.

Bearing in mind that last year's conference set its longer-term sights on a rate of £100 a week for a coalface worker, the figure that NUM militants want pressed in next year's pay negotiations, the executive might decide that there was no need for the issue to be discussed again, added Mr. Gormley.

### 'Pits oppose'

Mr. Scargill said last night that while "accepting and respecting" the ballot result he would continue to press for the £100-a-week demand. Mr. Bill McLean, general secretary of the militant Scottish miners, declared that an analysis of the voting pattern would show that an overwhelming majority of miners, who actually produced the coal in the pits—as opposed to clerical and other surface workers, had voted "No."

He thought the result would make the NUM moderates, the TUC General Council and the Government "very uneasy."

Picture and Table Page 14

# Callaghan pledge on spending

BY ALAN PIKE, LABOUR STAFF, IN BOURNEMOUTH

MOST PUBLIC expenditure demands now being made will have to be deferred to ensure that wealth-creating industries receive their proper share of funds, Mr. James Callaghan, the Prime Minister, said yesterday.

Large additional expenditures proposed in the Labour Party executive's new programme could be regarded only as "ideas for the 1980s and not for the immediate future."

The Government had planned its expenditure from now until 1979 and apart from these plans there would not be much public money available for new schemes and new programmes, he told delegates at the General and Municipal Workers Union congress.

As predicted, Mr. Callaghan's tone was that agreed public expenditure cuts must be strictly observed without suggesting that additional cuts were in prospect because of the state of sterling.

He several times referred enthusiastically to the prospects of an export-led boom, and said that next year the manufacturing industry and the basic industries could be seeking new funds for investment in plant and machinery. These industries, the wealth creators, would compete with central and local government for available funds.

"Two buckets will be dipping into the pool of savings. One will be labelled public expenditure. The other is labelled new plant and machinery. Both will be scooping from the same pool and the Government will see that manufacturing industry gets a proper share of the pool without running into a new round of inflation."

This would mean that some social values and objectives would take rather longer to achieve than some people desired.

Mr. Callaghan said that local government spending must be contained within the levels already agreed with the Government. Local authorities had discovered that they might overspend by up to £400m. during the present financial year and they recognised that this was unacceptable.

The Government had therefore asked them to revise their expenditure projects and bring them into line with the agreements already made. It would be hard for the councils but strict financial control in the local sector and the central government was essential.

He made a point of explaining that he was referring to the spending limits already agreed and that the Government was not asking for further cuts on top of these.

Mr. Callaghan began by saying it would be wrong to be "mesmerised into panic" by hourly news bulletins about the state of sterling. It was the job of the Government to take a longer view and many things were going well for Britain.

He paid tribute to the effects of the social contract and said there had already been discussions on a new contract to carry the Government's programme of social and industrial reform a stage further.

Mr. Callaghan, a member of the GMWU, left the conference after his speech, and despite his words many speakers expressed concern about cuts in services. The conference overwhelmingly endorsed an executive statement registering concern at the implications of some of the proposals.

**FEATURES**



**ON OTHER PAGES**



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LOMBARD

# The 'docility' of our trade unions

BY C. GORDON TETHER

THE FACT that the international currency markets are being continually portrayed as following with bated breath the shaping up of the TUC membership's response to the Government's new incomes policy plan shows how dangerously successful the detractors of British unionism have been in giving these institutions an international image of near-ungovernability that is in serious conflict with reality.

And the reality is that, if the attitude of the trade unions to incomes control during the 1970's to date is examined as a whole, it becomes apparent that, whenever confronted with any resistance worth speaking about, it has been characterised by a willingness to co-operate that has actually bordered on the docile.

So far as the big bad wolf image of our trade unions become a factor of supreme importance in the sterling markets—according to contemporary exchange market reporting—that unofficial calculations that the miners' vote on the new wage limits would be a close run thing played a major part in precipitating last week's massive new slide in the £.

## Their cue

But, in seeing the unions as bodies that are so powerful and yet so irresponsible that they are quite capable of wrecking the efforts of the rest of the community to get the £ back on its feet, the currency markets are taking their cue from the "conventional wisdom" in this country—what else have they got to rely on? And this is another case, therefore, of the excesses of the media and other opinion-makers inflicting severe penalties upon us all.

For what evidence is there, after all, that the unions are apt to behave in such aggressive yet mindless fashion? Certainly many of them have at times during the 1970s won increases for their members that were absurdly large when measured in relation to the country's capacity to support higher incomes without having to travel faster down the inflationary road.

But let it not be forgotten that, in each of the two periods of massive wage advances in the 1970s, the scene was actually set by a governmental decision to sanction a return to "free collective bargaining." This was what the Heath Government decided to "bless" the country with when it came into power in mid-1970. And the Labour Government which took over early in 1974 did exactly the same, jettisoning the whole of the incomes policy operation the Heath Government had launched in the second half of its reign on the simplistic proposition that all such exercises were "unworkable."

If free collective bargaining means anything at all, it means trying to get as much as the extent of your bargaining power permits. And if, therefore, during these phases the unions exploited this situation to win bigger awards than were good for the country—or, indeed, for themselves in the longer-term sense—they were not solely to blame. The business system that acceded to such awards and the official machine that connived at the processes that were producing them were both equally responsible.

## The villains

And outside these ill-conceived phases of free collective bargaining—that is when incomes policies were the order of the day—the unions' behaviour has given very little cause for complaint. There was almost total co-operation with Phase I of the exercise launched by the Tory Government in 1972. And it seems highly probable that Phase II would have been just as successful had Mr. Heath been prepared to go some way towards recognising the miners' arguments for being treated as a special case.

The unions' attitude to the operation the Labour Government launched in the middle of last year can be said to have been even more compliant. The £6 a week limit on wage and salary increases imposed by the first instalment was accepted without more than a grumble or two—notwithstanding the fact that it was clearly calculated, given the prospective rate of inflation, to bite deeply into the incomes of a substantial part of the membership. Again, the general run of unions have manifested much the same preparedness to go along with the new instalment, even though this must tend to give a built-in character to the deprivation the £6 a week limit has imposed on the higher paid membership, while accentuating it.

All in all, indeed, it would not be all that difficult to demonstrate that, in some respects, the behaviour of our trade unions has been too docile. And there are two very good reasons why it is important that there should be a much greater awareness of this. One is that, as the experiences of the past few weeks have shown, the gross mis-portrayal of their role adds quite unnecessarily to the £'s troubles. The other is that, so long as they are wrongfully portrayed as being almost the only villains of the piece, the spotlight will not be focused in the way it should be on the major culprits.

RACING BY DOMINIC WIGAN

# Lewis should make amends

GEOFF LEWIS, whose disappointing Epsom was followed on Sunday by a blank day at Dusseldorf, where he was fined £35 for failing to keep a straight course on the third in the afternoon's feature event, could be the man to follow at Lingfield to-day.

I hope to see the Epsom-based jockey, who in 1971 gained a remarkable hat-trick on his home course when achieving the Derby - Oaks - Coronation Cup treble through Mill Reef, Altesse Royale and Lupe, land the day's feature event here with *Yunkel* and also score on *Tutu*.

Yunkel, with only five to beat in the 7-furlong Harewood Handicap, which carries £2,000 in added prize money, has been remarkably consistent in recent weeks. On his last appearance in the Craven Handicap over this afternoon's trip on Derby Day, Ron Smyth's colt did well to finish a respectable second to that rejuvenated sprinter Creetown.

A reproduction of the running should see Yunkel, who failed by only a neck to give 15 lb to Little Tern at Goodwood a fortnight before Epsom, gaining a well-deserved first success of the campaign. The top weight Maxi's Taxi, a game winner of Newmarket's Bretby Handicap last time out, may follow him home.

**LINGFIELD**

2.00—Ground Cover
2.30—Quartic Melody
3.00—Yunkel
3.30—Raffindale
4.00—Tutu***
4.30—Benevolence**

**HAMILTON**

7.00—Broon's Secret*
7.25—Carnival Sovereign
7.50—Queluz
8.50—Princess Modesty

Tutu, whom Lewis partners in the Boxcote Handicap, has improved steadily since finishing a fair fourth of 12 behind Venus of Stretham at Doncaster on the second day of the season, and seems sure to be at prohibitive odds after successes at Wolverhampton and Kempton.

Bruce Hobbs's Ballymoss filly ought to have no difficulty in confirming her Kempton superiority over Breeze Wagon on only 5 lb worse terms for a six lengths victory, and a greater threat may be the other runner and outsider, Venetian Palace. However, I shall be surprised if Tutu is hard-pressed to achieve the hat-trick.

A third possible winner for Lewis is Tutu's stablemate Cedilla, who makes her racecourse debut in the closing event, the Smugglers' Stakes. This bay filly could hardly be better bred, for she is a half-sister by Crepello to Rose Dubarry, Mange Tout and Hecla.

Although a market move for her should not be ignored, I believe it will pay backers to row in with another well-bred three-year-old, *Benevolence*, who is a half-brother by Mill Reef's sire, Never Bend to Example.

Benevolence, trained for the Queen by Ian Balding and ridden by Joe Mercer, has shown noticeable promise in two of his three races and I expect his experience to give him the edge over the Newmarket filly and the luckless Fly High.

SALEROOM BY ANTONY THORNCROFT

# Dinner service makes £10,000

THIS IS very much a Japanese month in the London salerooms. Sotheby's started with a very successful sale last week which produced a record auction price of £42,000 for a Japanese porcelain bowl, and Christie's has some rare Japanese paintings on offer to-day, and netsuke and metalwork later in the month.

Sotheby's kept Japanese dealers interested yesterday with a more modest sale of swords, armour and sword fittings which totalled £54,925. The two best prices both comfortably beat their forecasts.

A tanto, that is a dagger, in a saya, a scabbard, by Minamoto Tsuguhiro made £2,100 and the same sum was paid for a suit of armour made in 1844 by Miochin Munetane.

Sotheby's also held the first part of a two-day sale of natural history and scientific books which totalled £43,633. The top price was from a Swiss dealer who gave £4,000 (plus 10 per cent. premium) for two books by Merian, written in 1726 and 1730 and describing the insect life of Surinam and Europe, with many illustrations.

He also paid £4,000 for two other books about insects, while another Swiss buyer paid £2,200 for "A Natural History of Uncommon Birds," by Edwards published 1743-51, and a slightly later "Gleanings of Natural History."

Part of the Duke of Clarence's Worcester dinner service sold at Christie's yesterday.

Meanwhile at Christie's 47 pieces from the Worcester dinner service, made to the order of the Duke of Clarence, later King William IV, with paintings by John Pennington sold for £10,000 (plus the 10 per cent, premium), at the top of the forecast.

The items were bought by Forbes Inc. of America. The service, which passed to the Earls of Erroll on the marriage of the 20th Earl to Elizabeth, the natural daughter of the Duke, in 1820, have frequently appeared at Christie's. The 260 pieces made £1,137 in 1893, and one oval dish fetched £315 in 1973.

The service was the highlight in an English porcelain sale which made £44,614. Among the other lots, a Worcester part dessert service in the Imari style went just below the target at £1,600, and Sheppard gave £1,500 for a rare Derby coffee can and saucer painted by James Banford.

The Christie's auction of Oriental ceramics was very modest, totalling £27,858 with a highest price of £1,050 from Noble Antiques for a large Canton *famille rose* punch bowl.

At Phillip's a furniture sale made £26,804, with Moble paying £960 for a mahogany china cabinet in the Chippendale taste, while water colours realised £8,032, and prints £10,544. The highest price of £1,900 came from Christoff for four 18th century engravings of Zurich by Johann Rudolph Holzhalb.

FILM AND VIDEO BY JOHN CHITTOCK

# Unjust to the jury

THE MOST valid and comprehensible review of a sponsored film was probably provided by a seven-year old schoolboy who had been asked by his teacher to comment on a Gas Council film: "I liked it, Sir!" The "Sir" shows that this happened some years ago, but it has always stuck in my mind as the quintessence of film criticism. What chance does any film have if its audience fails to like it? And what could a sponsor or producer wish for except to ensure that the message is accurately and pleasurably conveyed?

Nevertheless, the struggle to assess the merits of films becomes more intense as awards, festivals, and selection committees proliferate. At the British Sponsored Film Festival held in Brighton last month, juries and delegates were faced with no fewer than 19 different categories of entry. The intention is to ensure that like is compared with like in the judging — but the result can tend towards obscure pedantry, as in the definition of Category 14: "General Informational Films not covered by other subject categories and excluding Public Relations, Prestige and Sales films."

That sort of thing often contributes to odd decisions by the selection panels. Thus one of the most exhilarating films I have seen this year — John Player's *The Speed Sailors* — failed at the first hurdle and was never even screened at Brighton. Entered in the travel, tourism, recreation, and sport category, it is a documentary account of last year's World Sailing Speed Records at Weymouth. With remarkable camerawork and sound recording, the film gives a better impression of the event than any spectator would have been privileged to enjoy.

## Difficult

Likewise *A Question of Value*, a publicity film sponsored by Peninsula and Oriental Steam Navigation Company, is another case in point. This film sets out to show the diversity of the P & O group and reassure the City that its fortunes are not wholly based on luxury cruising. For a film-maker, it is an impossibly difficult subject — big, lacking in natural cohesiveness, geographically diverse, and really not of great intrinsic interest. But because, again, it is exceptionally well photographed — and in this case imaginatively edited — I liked it. And no doubt so will the many other key City audiences who see it.

Yet film festival juries will often find themselves driven into a tedious discussion as to whether one film was more effective in achieving its "stated objectives" than another when, in reality, such precision in judging a film is virtually impossible, especially from people with little or no knowledge of the circumstances surrounding it.

The recent Grierson Award for the best short film of 1975 went to the COI/Department of the Environment road safety film *Drive Carefully Darling*. It was selected by a distinguished panel of short film experts from a list of films nominated by various organisations in the film industry. Yet an audience of film society viewers at the National Film Theatre who also saw the short listed films preferred — byt a huge majority — *It Happened Here Again*, a short film about the making of the Brownlow/Mollo film *Winstanley*.

## Disadvantage

Perhaps it has something to do with the weather. Certainly it implies that the greater the safeguards built into film judging systems, the more unexpected the results can be.

Thus when I arrived at ICI to see two of the latest Millbank safety films, a minor administrative problem pursued me that required some urgent telephoning immediately after the show. With this responsibility buzzing in my head as I sat down to watch *Your House in Order* and *The Man in the Middle*, I was painfully conscious that I was not in a receptive mood. I must limit myself to saying that both films are of the professional calibre we have come to expect from Millbank, the first about good housekeeping on the factory floor, the second about the role of the supervisor. But if that screening had been just one of the many spread over weeks [illegible] the selection process for a festival, Millbank would have [illegible] at a very unfair disadvantage.

The technical conditions [illegible] a screening also have an insidious influence on impact [illegible] am even convinced that [illegible] toria in which the ceiling [illegible] is greater than the width [illegible] the cinema, yielding a [illegible] sensation when watching [illegible] screen, produce an uncomfortable feeling in the viewer [illegible] otherwise excellent Bow House Cinema induces this [illegible] ing, even though I cannot [illegible] to have measured its ratio.

## Oil pollution

The cinema at Millbank To[illegible] on the Embankment in London suffers from a different [illegible] lem — inadequate sound reproduction and a postage stamp size screen. Consequently, [illegible] the Department of Industry screened its two films about work of Warren Spring Laboratory, I know that I did not [illegible] them at their best. *Clean [illegible] Pleasant Land* shows some [illegible] the latest developments in [illegible] ing oil pollution of the sea [illegible] beaches; *The New Prospectors* is a fascinating account of [illegible] experimental plant for sorting and reclaiming usable material in household refuse bins. [illegible] are distinguished by excellent photography, as far as I could tell from that small screen. *The New Prospectors* in particular is a very well-told [illegible] that it could hold my attention so firmly makes me wonder what hidden merits would [illegible] revealed by first-class projection.

The John Player sailing [illegible] was previewed in the new superb cinema of the British Academy of Film and Television Arts in Piccadilly — a [illegible] engulfing picture size, brilliant and crisp projection, impeccable sound. Could it be that [illegible] lesser conditions I should [illegible] less favourably? Yet the [illegible] outstanding films seem able to survive all conditions. [illegible] them — all-time greats [illegible] Pirelli's *Tortoise and the [illegible]* and Shell's *The Rival Wo[illegible]* audience loyalty and interest seem constant and unchangeable. The unanimous reaction is always simple and straight — "I liked it!"

# TV/Radio

† Indicates programme in black and white.

## BBC 1

7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 11.58 Cricket: First Test, England v West Indies. 1.30 p.m. Rubovia. 1.45 News. 2.00 You and Me. †2.15 For Schools, Colleges. 3.00 Cricket: First Test, England v West Indies. 3.58 Regional News (except London). 4.00 Play School. 4.25 Out of the Way, Hippo! 4.30 Astronut. 4.35 Jackanory. 4.50 Animal Magic. 5.15 Rentaghost. 5.40 The Wombles.

5.45 News.
6.00 Nationwide.
6.55 Circus.
7.20 The Undersea World of Jacques Cousteau.
8.10 Angels.
9.00 News.
9.25 The Good Life.
9.55 The Mystery of Loch Ness.
10.45 To-night.
11.20 The Craft of the Potter.
11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales — 2.40-3.00 p.m. For Schools. Ffenestri. 6.00-6.55 Wales To-day. 6.55-7.20 Heddiw. 11.45 News and Weather for Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. 11.45 News Summary and Weather for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 11.45 News Headlines and Weather for Northern Ireland.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

## BBC 2

6.40 a.m. Open University.
11.00 Play School.
11.25 Open University.
2.10 and 4.20 p.m. Cricket: First Test, England v West Indies.
6.15 Open University.
7.29 Weather.
7.30 Newsday.
7.45 The Book Programme.
8.10 America.
†9.00 Tuesday Cinema: "White Heat" starring James Cagney.
10.50 It Don't Mean a Thing . . . if it ain't got that swing! Eddie Thompson with guests.
11.20 Newsnight.
11.40 Cricket: First Test, England v West Indies.
12.10 a.m. Closedown: John Westbrook reads "Dirge for Fidele," by William Shakespeare.

## LONDON

9.30 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Hickory House. 12.30 Home and School. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Marked Personal. 2.00 Good Afternoon. 2.25 The Case Against Dogs. 3.25 Joby. 4.25 Arrows. 4.50 Going a Bundle. 5.20 Nanny and the Professor.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Husband of the Year '76.
7.30 Man About The House.
8.00 Hunter's Walk.
9.00 Destination America.
10.00 News.
10.30 Police Story.
11.30 Drive-In.
12.00 The Wild, Wild West.

All ITV regions as London except at the following times:

### ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 The Flintstones. 6.00 About Anglia. 10.30 Birth of the Bomb. 12.00 Anthology.

### ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Spiderman. 6.00 ATV Today. 10.30 The Collaborators. 11.30 Angling Today.

### BORDER

1.20 p.m. Border News. 5.20 The Flintstones. 6.00 Border News and Lookaround. 10.30 The Collaborators. 12.00 Border News Summary.

### CHANNEL

1.20 p.m. Channel Lunchtime News and What's on Where. 2.30 Spartakiada 1975. 2.50 Vision USA. 2.55 The Protectors. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Treasure Hunt. 10.30 T.V. Movie: Hec Ramsey. 12.10 a.m. Commentaires et Previsions Meteorologiques.

### GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Chopper One. 6.00 Grampian Today. 6.10 Country Focus. 10.30 Man in a Suitcase. 11.55 Evening Prayers.

### GRANADA

1.20 p.m. This is Your Right. †5.15 Stamp Stories. 5.20 Crossroads. 6.00 Granada Reports. 6.30 The Adventurer. 10.30 Mystery Movie: Banacek. 11.50 Here Comes the Future.

### HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 2.30 Women and Crime. 5.20 Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 The Great Little Trains of Wales. 10.30 Jason King.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny [illegible]. 6.01-6.15 Y Dydd. 10.30 Pictorum. 11.15 Book Review. 11.30 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

### SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Pinky and His Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Alasdair—with Alasdair Gillies. 10.30 Doney. 11.25 Late Call. 11.30 The Odd Couple.

### SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Daffy Duck. 5.25 Crossroads. 6.00 Day By Day. 6.30 Tell Me Another. 10.30 Opinions Unlimited. 11.00 The Protectors. 12.00 Southern News Extra.

### TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 5.20 Elephant Boy. 6.00 Today at Six. 10.30 The F.B.I. 11.30 Epilogue.

### ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 The Ghost and Mrs. Muir. 6.00 UTV Reports. 10.30 The Collaborators. 11.30 UTV Profile.

### WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.30 Spartakiada 1975. 2.50 Vision U.S.A. 2.55 The Protectors. 5.20 The Amazing Chan and the Chan Clan. 6.00 Westward Diary. 7.00 Treasure Hunt. 10.30 Mystery Movie—Hec Ramsey. 12.10 a.m. Westward Late News. 12.15 Faith for Life.

### YORKSHIRE

1.20 p.m. Calendar News. 5.20 Fantastic Voyage. 6.00 Calendar (Emley Moor and Belmont editions). 10.30 "Cutter" (film).

## RADIO 1 247m

(S) Stereophonic Broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's new Top 20 discs and 12.30 Newsbeat. 2.02 Ed Stewart (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

## RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Ray Moore (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Ed Stewart (S) as Radio 1 but including on 1500m only (also [illegible] Scotland), 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Sports Desk. 7.33 Robin Richmond: The Organist Entertains (S). 8.02 Jim Carmichael's Music Night (S). 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 The American Sequence (S). 11.02 Michael Meech with The Late Show (1500m only, also 202m Scotland VHF joins Radio 1). 12.00-12.05 a.m. News.

## RADIO 3 464m, Stereo & VHF

*Medium Wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers, Gabrieli and Dowland (S). [illegible] Record [illegible] England v. West Indies. 1.35 p.m. News. 1.40 The Arts Worldwide. 2.00 Cricket: First Test (from 5.45) England v. West Indies. 16.30 Lifetimes: Work and Training. 7.30 Mankind's Music. 8.00 Abbado, Pollini and the LSO, part 1: Brahms (S). 8.45 Myth Versus History (Field-Marshal Montgomery talk). 9.05 Concert (S): Schubert part 2. 9.45 Drama Now (S). 10.50 Vaughan Williams Concert (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

## RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the day. 6.45 Today. 7.00 News and more of Today, including 7.25 VHF Regional News. 7.45 Thought for the day. 8.00 News and more of Today including 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (from 9.29). †10.00 News. †10.05 From our own correspondent. 10.30 Daily Service. 10.45 Morning Story. †11.00 News. †11.05 Down your way. †11.45 James Cameron with the BBC Sound Archives. 12.00 News. 12.02 p.m. You and Yours. 12.27 Dad's Army. †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Les Miserables. 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News. 7.05 The World in Focus [illegible] and the LSO, part 1—As Radio 3 (S). 8.45 Myth Versus History, as Radio 3. 9.05 Concert, part 2—as Radio 3 (S). 9.45 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only): 9.20 a.m. to 12.00 and 2.00 to 3.00 p.m.

## BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Matter of Fact. 4.32 Richard Vaughan with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Weekly Echo. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2 until closedown.

## London Broadcasting

261m and 97.3 VHF

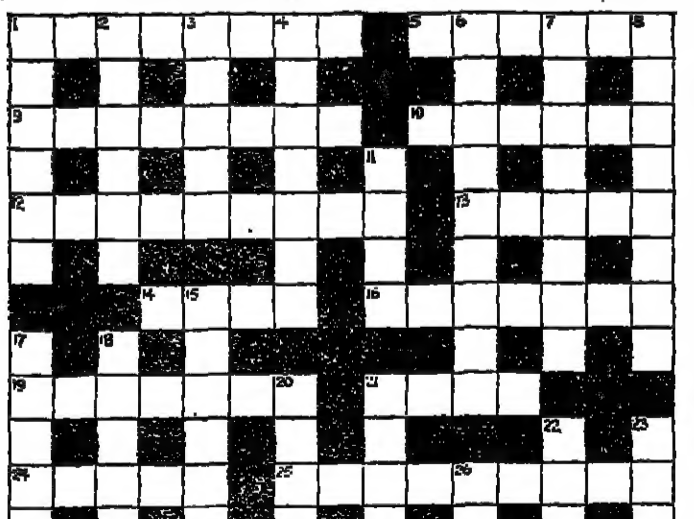
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 8.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

## Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Brian Wolfe: London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne. [illegible] The Late Show. 2.00 a.m. [illegible]

## F.T. CROSSWORD PUZZLE No. 3,099



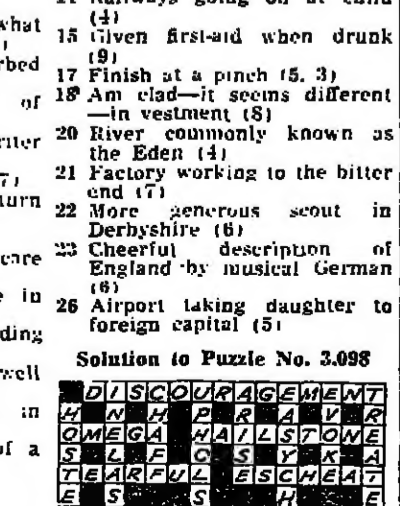
**ACROSS**

1 Familiar state (8)
5 Those in high society for whom all is plane sailing (3, 3)
9 Before 100 notes become valuable (8)
10 Stop quarrelling over what women have to face (4, 2)
12 Star court disturbed examiner (9)
13 Change sound in part of church (5)
14 Frank ought to join writer (4)
16 Back army contractor? (7)
19 A right once more to return to fails (7)
21 Report of hair style (4)
24 Heavenly body taking care of opera house (5)
25 Left approach to house in super gear (9)
27 Watery creatures beheading bounders (6)
28 Judge with everything well taped (8)
29 Features include notice in front (6)
30 Goodness is the work of a king (2, 6)

**DOWN**

1 I am taking job out of duty (6)
2 Speculation concerning the circle railway (6)
3 Doctor is going to East-end in wet (5)
4 Continue to jeer in Somerset (7)
6 First person to get upset over a country coming out (9)
7 Warmth in outbuilding given protective cover (8)
8 Most money is given to the high command (3, 5)
11 Railways going on at child (4)
15 Given first-aid when drunk (9)
17 Finish at a pinch (5, 3)
18 Am clad—it seems different—in vestment (8)
20 River commonly known as the Eden (4)
21 Factory working to the bitter end (7)
22 More generous scout in Derbyshire (6)
23 Cheerful description of England by musical German (6)
26 Airport taking daughter to foreign capital (5)

**Solution to Puzzle No. 3,098**




# ENTERTAINMENT GUIDE



CONTINUED ON PAGE [illegible]

Glyndebourne

# Pelléas et Mélisande

by RONALD CRICHTON

The new Glyndebourne staging of Debussy's opera is very different from the previous one. Glamour, charm and decorative story give way to a severe approach at the hands of the French producer René Terrasson and the British designers Patrick Robertson and Rosemary Vercoe. The conductor is Bernard Haitink. not so much severe as passionately serious. Pelléas, many-layered and many-sided, can take a number of interpretations, none of them likely to be definitive. It is rewarding to see a version utterly divorced from Pre-Raphaelite or art nouveau influences (the links exist, but they can easily be overdone) and good that the brave deed should be performed at Glyndebourne, where the audience is by now more broadly based than before, more international, a little more enterprising.

All the same, producer and designers try their public a bit hard in the first part of the evening, up to the interval after Act 2. The set is bare and simple: a ramp with a well that slides fairly unobtrusively on and off and can change into bed or couch, a piece of masonry at one side which serves for the tower (one spots this rather too soon), at the back a screen of criss-cross ropes which can mist the projections of forest foliage or vague architectural suggestions on the cloth behind or appear as cage or prison. Robert Bryan's lighting is too unrelievedly dim. Darkness plays an important role in *Pelléas*, but Maeterlinck (and Debussy after him) made deliberate play with the contrast between dark and light, sun and shadow. This shouldn't be left entirely to the orchestra.

The producer keeps the stage busy *during the interludes (not* part of the original conception, but added by Debussy to cover scene changes), though perhaps "busy" is not the word for these prowling, confusing peregrinations of the principal characters, planets in orbit destined eventually to collide. The effect is worrying: one loses sense of place and time: the joining of acts one and two makes nonsense of the unresolved chord on which the first act ends: one misses most of all the suggestion of fresh air, of the existence of other worlds *outside* the castle confines, marvellously painted by Debussy in the scene in the garden with the sailors' voices off. *Golaud's sick-bed is clumsily* contrived, with the old, avoidable mistakes of pointing a recumbent singer's feet at the audience.

*Later* the eye grows accustomed to the gloom and lack of colour, but the costumes look as if Miss Vercoe had combed the Old Vic wardrobe for the most neutral Shakespearean cast-offs she could find. The tower scenes work well (Mélisande half-smothering Pelléas with her hair, Yniold forced by Golaud to spy on the lovers) and the constant feeling *that* the producer has taken Maeterlinck's text seriously—Mr. Terrasson has acted Golaud in the play—is welcome. The result is not unnaturally more Flemish than *French* (Maeterlinck came from Ghent) and Mr. Haitink, no doubt, feels this, too—his reading of the score, backed by the London Philharmonic *in exciting form*, goes all out for the drama, filling the interludes with physical and mental anguish, making few concessions to the singers. In an unexpected way the performance illustrates Strauss's complaint "You might as well be listening to Maeterlinck's play as it was, without music"—one of the greatest unintentional, mutually illuminating compliments paid by one great composer to another.

The *Mélisande of Anne-Marie* Blanzat, a young French soprano with already considerable experience of the role, is the dead opposite of Soderström at Covent Garden. Nothing fey, kittenish or outwardly vulnerable, but a regal young lady not easily approachable, perfectly aware of what she is doing, though possibly unable to say why she is doing it. The voice is strong, promising an interesting *future* in other fields. Miss Blanzat carries herself like an entranced Brunnhilde. The Pelléas, André John, is *a replacement for Alan* Titus, who is ill. He does the quick declamation with an ease that eludes singers whose native *language is not French*, and in the later scenes last night his high notes began to ring (he is a high baritone), but the slightest *pressure* on the voice leads to splaying, and intonation is variable.

There is a more than promising Golaud from Michael Devlin, yet another gifted American baritone, developing rapidly and impressively, the voice rich and firm, the French unusually convincing for an Anglo-Saxon singer (only the word "vérité," which became "vurritay," betrayed him). The Geneviève of Jocelyne Taillon has been admired at Glyndebourne before. Don Garrard voices the big moments of Arkel nobly, but misses the ambivalence that can make the remaining utterances of this overrated character endurable. Yniold (a role sung here formerly by the present Mélisande) is taken by Elisabeth Conquet, a plausible, not always clearly audible boy. The producer uses Yniold too much as a silent spectator—having the child literally holding the baby at Mélisande's death calls up the wrong kind of domesticity for even a modest royal court. I'm sure the Lily and Henry Davis Charitable *Trust, which supported the production*, would have run to an extra servant or two.

Michael Devlin and Anne Marie Blanzat

**La Fenice, Venice**

# La vedova scaltra

by WILLIAM WEAVER

In the January issue of *Opera*, Hans Keller published a provocative article entitled "Ermanno Wolf Ferrari: the problem of our *time.*" *In it, among other things*, he discussed ". . . the problem of the unrecognised major minor master, the man of intermittent genius who is not a genius. We dutifully take note of, or passionately deny the genius. The rest we deny by indiscriminate experience. . . . That Vivaldi should be a household word and Wolf Ferrari widely unknown is musically absurd."

This is Wolf Ferrari's centenary, but the Italian music world—usually so prompt to celebrate anniversaries—is almost ignoring the occasion. The Rome Opera recently presented the composer's *Il campiello*, in a production borrowed from Venice's Teatro La Fenice, and the Fenice itself has just mounted a sprightly new production of *La vedova scaltra*. Venice—the composer's birthplace—also dedicated two plaques last week: one on the house where Wolf Ferrari was born, and the other on the house where he spent his last years and died.

He studied in Germany (his father was German; his mother Venetian), and enjoyed his first successes in the theatre there. He lived in Bavaria until after World War II. So his music, like his heritage, is mixed. There is Venetian wit and airiness, but there is — at the base — a northern seriousness of craftsmanship, an awareness of the past. Including the Venetian past, including that household-word Vivaldi. Wolf Ferrari clearly loved the Settecento; and it is no accident that his most successful operas are based on Goldoni plays.

One is *La vedova scaltra*. In the excellent programme prepared by the Fenice's Press Office, the librettist Mario Ghisalberti amusingly describes his encounter with the composer and their intense collaboration. It was largely a matter of wielding the blue pencil. Whole characters were eliminated—notably *Pantalone*—and thus the central story's frame was reduced. A pity, in a way, because we lose the social setting, the bourgeois atmosphere. There remains the fundamental *intrigue: the beautiful young* widow and her four suitors, a Spaniard, a Frenchman, an English Milord, and a (successful) Italian.

I suppose what makes Wolf Ferrari a minor composer is his lack of depth; and I suppose what makes him a major minor composer is his skill with surfaces. His best operas are all brightness, sparkle; and if there is an occasional hint of melancholy, it is brief, a passing mood, not heart-felt. The new production of *La vedova scaltra* at the Fenice ably caught this *brightness. Giulio Coltellacci's* sets managed to be both realistic—there was a real glimpse of San Giorgio Maggiore in the background of Rosaura's garden—and supremely artificial (the garden had paper trees). His costumes, too, were elegant, mostly white or cream, but somehow convincing. And Giovanni Poli, the producer, also avoided any erroneous probing for significance: the characters were kept moving, as required; Arlecchino was allowed to clown, but not to indulge in excessive slapstick. Manno Wolf Ferrari conducted his uncle's score affectionately, perhaps lingering over it somewhat more than necessary; there were moments when a greater briskness would have helped. Still, the Fenice orchestra played well, contributing to the public's unmistakable enjoyment.

Wolf Ferrari seldom makes heroic demands on his singers, so his operas are ideal for houses that cannot muster grand, highly-priced international casts. The Venice singers were admirable in their balance, their teamwork. Of course, the soprano Ilva Ligabue, as the widow, dominated the performance: she sang *charmingly and acted* with winning grace, matched only by the lively Daniela Mazzucato Meneghini, who was the widow's French maid *Marionette* (a close relative of Despina, even to the serving of chocolate). Mario Basiola was an idiomatic Arlecchino, and the four suitors were generally well done. As the *Spanish Don Alvaro, Francesco* Signor was sometimes staid to the point of immobility; but he offered a nice contrast to the impassioned, almost *verismo* Conte di Bosco of the tenor Aldo Bottion (as the only sincere lover, he was entitled to his emotional excesses).

The Fenice is, of course, the ideal theatre for Wolf Ferrari (indeed, it is the ideal theatre for almost anything); and it was good to be back in this noble house. Like other Italian houses, it has had its troubles. Last year it was dark. But now it is happily ending a well-chosen season that has included important revivals, such as *Ormindo* and *The Rake's Progress* (which had its premiere at *the Fenice in 1951*), as well as standard works.

# Old Masters on parade

by DENYS SUTTON, Editor of Apollo

Mabuse's 'Portrait of a Bishop'

Although London life has changed considerably in recent years, one old-fashioned pleasure remains—that of being able to *look at the summer exhibitions* of Old Masters which are staged by various dealers.

In general, the emphasis is on the Italian *Baroque*, which is now all the fashion, and it comes as something of a relief to be able to come across at Agnew's *an exquisite panel by the 15th*-century Sienese painter Sano di Pietro. It represents a Miracle of San Bernardino and veterans will *remember it from* the Ashburnham sale. It has the chief virtue of the Sienese school a blending of piety and delicate *colour*.

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Many of the pictures on view have long histories but one of *the most important* is a discovery. This is Mabuse's remarkable painting of St. Augustine in which the searching and meticulous *depiction of characters* derives from Van Eyck. The dourness of the features in this masterpiece of Flemish painting is offset by the delicious decorative quality of the pastoral staff which might well be of Spanish workmanship.

The show contains much of importance—a Goya portrait, a recently found Salvator Rosa, Constable sketches and, among other admirable works, two *bozzetti for Panini's Congregation in the Apertura della Porta Santa*. These stress his effectiveness as a figure painter and are *touched with French elegance*. French 18th-century art is represented by one of Lancret's most vivacious *scènes champêtres*, which has a pleasing theatrical touch and a Boucher of a milkmaid whose features are not dissimilar from those of this artist's famous model, Mlle. O'Murphy.

Dutch painting has always found admirers in England and the exhibition includes an exquisite early Dou, which once belonged to King William III of England, and a view of Nijmwegen by Salomon van *Ruysdael in which* the warm tones of the building are complemented by a vivacious sky.

Nowadays catalogues contain more information than was the case in the past and the details concerning provenance are often interesting. As I have just finished reading Joanna Richardson's delightful life of the Princesse Mathilde I was fascinated to find that *Jan Victors' Portrait of a Lady* was in her collection, and presumably hung in her Paris house and would have been seen by the Goncourt, Saint-Beuve, and Merimée among *others. The historian of taste* may also be interested to note that some eleven of the fifty-nine pictures in the show were once *in American collections.*

*

Across the street at Colnaghi's, one of the most appealing pictures on view, *The Marriage of the Virgin* by Giaquinto, also comes from an American collection—that of the Curtis family of Boston. Giaquinto is one of the few Italian masters whose style was truly rococo and his lightness of touch comes as a relief after the rather stolid fare offered by many Baroque paintings. Although in earlier days collectors bought them—some of the pictures in this exhibition come from the Devonshire collection—they have now assumed a rather institutional character.

Naples was one of the most exciting and creative centres in eighteenth-century Europe with a lively tradition of music, represented by composers such as the Scarlatti. The liveliness, typical of Neapolitan music, is paralleled by that found in some of its painting—Solimena's sketch for the now destroyed decoration at Monte Cassino is one example—and another is the impressive picture by Francesco de Mura at Colnaghi's. This *quadretto* for a Neapolitan church is a *tour de force* in which the painter as a true virtuoso shows his pleasure in *manipulating figures by foreshortening* and other means.

*

The range of artistic achievement to be found in the London galleries is emphasised by the excellent exhibition "In the light of Caravaggio" at the Trafalgar Galleries which is accompanied by an excellent catalogue. It includes two impressive pictures by Ribera which once belonged to Prince Anatole Demidoff, the *one time husband of Princess* Mathilde. The Prince, who is often maligned, was an excellent connoisseur, and the eight panels by Sassetta in the National Gallery were once in his collection. The Gallery is to be congratulated on bringing together important pictures by Terbrugghen, Stomer and Valentin and in showing the internationalism of Caravaggio's impact. One of the most fascinating pictures on view is a small but elegant still life attributed to Zurburan. The problems connected with the rare still life pictures by this *master are considerable, and* whether this one will find complete support from the experts remains to be seen. It is one of the most attractive works on the London market.

* *

The 17th-century is also in force at the Heim Gallery, where the most significant work is Carlo Saraceni's *Death of the Virgin*, which again *stresses* the influence of Caravaggio. This intense and well constructed picture seems to be the original altarpiece for S. Maria della Scala in Rome *and was later in the Electoral col*lection, Heidelberg and was recently at Ampleforth Abbey.

Scultpure is included in the *Heim exhibition, pride of place* being occupied by Giuseppe Mazzuoli's terracotta *Lamentation* from the castle of Montegufoni, near Florence, which was once the property of Sir George Sitwell.

Mazzuoli is also represented by a telling bust of the Cardinal du Bouillon who had the temerity to engage in open rebellion against Louix XIV and ended his days in exile. The presence in the show of other Roman busts is a reminder of the excellence of Italian sculpture at this time. Sculptors did not hesitate to render the personalities of their ecclesiastical patrons and in doing so they harked back to the great tradition of Roman imperial and Republican sculpture.

The extent to which Delacroix's visit to North Africa in 1832 was a turning-point in his career is made evident in the colourful and lucid watercolour study of a young arab in the exhibition of 19th-century French drawings at Hazlitt, Gooden and Fox. The interest of this show, which has been arranged in conjunction with Stefanie Maison, is that it *presents not only* well known artists—Daumier and J. F. Millet for instance— but lesser known men. One of the most amusing of these is Georges Bottini (1873-1916) who was a witty recorder of Paris night life, depicting brothels and bars.

## Eastern region literary anthology planned

The Eastern Arts Association is inviting writers living in Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk or Suffolk to submit items for possible inclusion in an anthology of writing from the eastern region to be edited by Angus Wilson and published by Secker and Warburg in 1978.

The selection, which will consist of fiction, poems, critical and descriptive essays, imaginative documentary, autobiographical or journal extracts, will be made entirely upon literary merit.

Accepted items will be paid for at the rate of £10 per thousand words for prose and £10 per poem (for the first page and £5 per half page thereafter). The length of articles and prose pieces should preferably not exceed 3,000 words and *entries* must not have been previously published.

The closing date is September 10, 1976, and *entries* marked "Anthology" should be sent with a stamped and addressed envelope to the literature officer, Eastern Arts Association, 30, Station Road, Cambridge CB1 2JH, who can also provide further information if required.

**New Victoria**

# Janis Ian

by ANTONY THORNCROFT

There was a reverential hush in the closed ranks of the New Victoria on Sunday night as Britain *saw for the first time* Janis Ian, one of the mysteries of American popular music. Miss Ian makes Leonard Cohen seem quite boisterous with her lugubrious songs of what it is like to be a teenage ugly duckling.

To an audience of ugly ducklings she could do little wrong, although a more mature critic would have welcomed a wide repertoire and a rather longer show—we were out before nightfall, which is rather disconcerting. But in her own vein Janis Ian has few rivals. In fact she retired at seventeen only to return recently, in her mid-twenties, to sing of "the pain of living with a name you never owned."

The tune may always be the same but the lyrics are quite telling, and with a tight little backing group and a female *counter singer, who towers over* Janis Ian managing to suggest a Laurel and Hardy relationship, the three encores were not excessive.

The whole concert was a bit of a voyeur's paradise as Janis Ian mulled over her broken affairs like a musical Anna Raeburn. Yet despite the *indiscretions* she managed to come across as a sympathetic character. She was at her best hiding behind the *sad chords of the piano* (strumming a guitar the resemblance to Paul Simon was disconcerting), and in the finale when she returned alone to sing the *lengthy Stars, which dwells on* the fleeting nature of rock success.

Much more than competitors like Melanie and Joni Mitchell Janis Ian concentrates on the lonely bed-sitter image of drifting teenagers. Her current hit "Seventeen," with its references to imagined boy friends and phoney phone calls, is not only where Janis Ian is now musically, but where she was almost a decade ago. Her problem will be to mature with something equally popular to sing about.

## RSC to tour U.K. with 'Henry V'

The *Royal* Shakespeare Company is to tour the U.K. this summer. Terry Hands's production of Shakespeare's *Henry V* with Alan Howard in the title role and Emrys James as Chorus is to be seen in four U.K. cities from July 1 to 31—immediately following a successful New York season and European tour.

*Henry V* will visit Glasgow (Theatre Royal from July 1), Sunderland (Empire from July 13), *Manchester (Opera House* from July 20) and Bristol (Hippodrome from July 27). The tour has been arranged with the *financial assistance of the Arts* Council Touring Scheme.

**Wigmore Hall**

# Solo & trio

by DOMINIC GILL

The Wigmore Hall's 75th-anniversary season of seven celebrity concerts, inaugurated *last week by Rubinstein*, continued on Sunday evening with a chamber recital shared by three less internationally famous, though no less distinguished, artists, Amaryllis Fleming, Manoug Parikian and Bernard Roberts.

To introduce their programme, each string player offered a Bach solo, and Miss Fleming chose the C major cello suite No. 3. It was not a performance to conjure up immortal memories of Casals: but it was *all the same* a very good, workmanly account—well-tuned and robust, sustained with fine conviction in the instrument. The playing was prone here and there to harmonic wolves, *especially on the D string; just* occasionally, rhythms were not perfectly taut—the Courante tended to slip sideways into pairs of triplets instead of three duplets. But the presentation was honest, consistent, and once or twice, notably in the Sarabande and in the two *Bourrées*, it grasped, and held, moments of real poetry. Lovely mellow tone, especially in the high registers; in the Gigue, splendid, springy momentum.

Parikian's choice was the second solo violin sonata in A minor; a noble account, finely wrought—very free in the sombre Grave introduction (would more sense of the basic rhythmic cell have given still greater presence?), gravely exuberant in the marvellous Fuga, every detail of counterpoint, to the quietest inner voice of the most fleeting double-stop, beautifully worked. The spell-binding moment in the andante when both voices move from the major second into *unison*, and then part again, was touched with perfectly authentic high drama, but not for a second over-weighted.

Parikian and Miss Fleming came together after the interval with Bernard Roberts for a bright, buoyant, joyful account of Beethoven's Archduke trio. Firm, fluid ensemble—essential paradox of all the best chamber playing—quick to relate and respond, broad and firm in execution: an exhilarating performance, controlled and shaped from the piano with masterly precision by Bernard Roberts, in the andante with fine, princely dignity, and in the finale with admirable pungency and sparkle.

# WORLD TRADE NEWS

Japan's plant exporters have been losing major contracts to their European competitors whose governments provide better export credit facilities. A Bill has now been passed to expand the lending capacity of Japan's Export-Import Bank.

## Closing the credit gap

BY MARGARET HUGHES, RECENTLY IN TOKYO

THE BILL increasing the lending capacity of Japan's Export Import Bank was pushed through the Diet (Parliament) just before the closing of the last session—to the relief of the Japan Machinery Exporters' Association.

The association had feared that this Bill, which it regards as vital for the fulfilment of this year's plant exports target, might have been held over until the next full session in the autumn. The current political upheavals in Japan, arising out of the "Lockheed scandal" has delayed the passing of several major Bills, including the crucial one authorising the flotation of deficit-financing bonds.

The raising of the Export Import Bank's loan ceiling provides a much needed booster for Japan's plant exporters. Over the past month or so three major contracts have been lost to European competitors, whom the Japanese feel often have the advantage over them in financing terms and experience as well as geographical proximity to the big Middle East and East bloc markets.

### Problem

In an interview with the Financial Times Mr Shigeru Otsuka, executive managing director of the Japan Machinery Exporters Association — which accounted for 43 per cent. of total exports last year — said that the limitation of Ex-Im Bank lending was "a very serious problem" for plant exporters.

The financing which it provided had been sufficient to cover Japan's traditional export items—between $20m. and $40m.—but in the plant export field many of the projects were valued at $100m. or more. Since the law of establishment of the Ex-Im Bank placed a ceiling on loan advances a new bill was required to increase its lending capacity. At the same time the export credit insurance scheme, modelled on Britain's ECGD was now "inadequate," he said. An additional problem was that plant exporters had to compete with European companies which had secured cost escalation cover from their respective governments. The Japanese do not have such cover. But, given Japan's more modest inflation rate they probably have less need for cover than some of their competitors such as the British.

In its 1976 budget proposals the Japanese Government had already increased the Ex-Im Bank's own loan quota by a little over 80 per cent. But with the ceiling on its lending set at four times own capital—of around Y800bn.—it was only able to make advances up to a total of about Y3,200bn. ($10.6bn.). This the association considered to be far too low, bearing in mind the Government's own forecast that plant exports this year should be doubled to some $12bn. It therefore urged the Government to step up the bank's lending capacity to a more realistic level.

The new bill just passed in fact raises the ceiling from four times capital to ten times giving a new maximum loans total of Y8,000bn. ($27bn.). Some plant exporters consider this to be still too low but this will obviously depend to what extent export hopes become firm contracts.

The Ex-Im bill also allows the bank to raise money on international capital markets for the first time. Although this form of fund raising is expected to be more costly than the bank's other sources, it will increase the volume of funds available. Increased provision has also been made for consortium financing with other Japanese banks and financial institutions.

The maximum allowed for export insurance by MITI's Export Credit Insurance Division had already been raised in the budget proposals from Y3,100bn. ($10bn.) to Y4,500bn. ($15bn.).

These new proposals are expected to give new impetus to Japan's efforts to penetrate the plant export market—the major portion of the increased financing will be directed to this sector. With domestic demand still sluggish, Japan acknowledges that its economic recovery will have to be export led, with exports forecast to rise 11.9 per cent. this year to $62.9bn. So far the trend is favourable with exports on a customs clearance basis in the first three months of this year up 16 per cent. on the preceding quarter and April showing an 11 per cent. increase on a month-to-month basis. But most of the increase has come from a sharp rise in shipments of Japan's traditional exports. In April motor sales were up 63 per cent. on a year ago, electric appliances up 55 per cent. and electrical machinery by 63 per cent.

MITI largely attributes this performance to the upturn in consumer demand in its main markets, particularly the U.S., combined with the running down of stocks and a surge in shipments aimed at beating the new freight charges introduced in April. It does not expect this trend to continue, not least because these items are a sensitive issue in its main markets which are becoming increasingly protectionist.

Mr. Otsuka is "not optimistic" that these issues will be resolved to Japan's advantage and therefore feels that the export emphasis will have to be on plant exports, which should not evoke the same reaction. He therefore expects very little increase in motor exports over the year as a whole and almost no growth in electronic exports. This means that plant exports will, he said, have to increase "by at least 40 per cent. if the Government is to achieve its economic growth target of 6 per cent."

### Rationalise

MITI itself has predicted that plant exports will be doubled to $12bn. but its projections have been made on a different basis. There is some confusion on plant export statistics since they are measured in terms of customs clearance, as MITI export licence approvals (which exclude cash contracts) and as contracts awarded—all these covering different stages of plant exports. A committee has now been set up to rationalise statistics and so make targets and forecasts more realistic, Mr. Otsuka said.

Last year Japan's plant exports, based on MITI approvals, totalled $5.53bn., representing an increase of over 42 per cent. on the previous year, while export contracts concluded last year were up by over 67 per cent. to $4.8bn. Among the major contracts signed were a $569m. fertiliser project in Iraq, a $261m. ammonia plant (the third) for the Soviet Union, a $200m. gas transport system in Indonesia, $156m. power generating equipment for Singapore and a $116m. steel rolling mill for Argentina. Some $1.3bn. worth of contracts were valued at $100m. or more each and $2.1bn. worth were above $50m. each. Together these plant exports accounted for about 10 per cent. of total exports last year—this year the share is expected to be between 17 and 18 per cent.

In the current year, Japan has already picked up another $250m. ammonia contract in the Soviet Union and a $200m. steel mill for Iran. But at the same time it has lost a $600m. phosphate fertiliser project in Iraq to a European consortium headed by Sybetra of Belgium and a $450m. ammonium fertiliser complex in Poland for which Mitsui planned to co-operate with British equipment suppliers to make use of ECGD export financing. This contract was lost to a French competitor (a consortium led by Creusot Loire), as was one of the power projects Japan had been bidding for in Brazil. In both cases the Japanese claim that they were beaten by the better terms offered by the French contractors.

The Japanese exporters feel that one way of avoiding the loss of further contracts such as these—which they had been generally expected to win—will be to co-operate with its European competitors in consortium ventures. The main aim would be to share the financial burden.

This they have already done to some extent with French and German contractors in a power generating project in Iran and again with the French for a desalination installation in Iraq. But Mr. Otsuka pointed out that Japanese companies are still very inexperienced in such ventures—a particular problem for them, he said, is that they are not familiar with the legal aspects involved in participating in a consortium.

Japan does not have the same technological expertise as its European competitors so the greatest potential for using Japanese technology in this form of co-operation he sees in the chemicals, steel, land power generating fields. In other areas Japan's role will be as supplier of equipment for projects using European technology.

By far its largest market for plant and equipment is the Middle East. By almost trebling exports to the area last year, the Middle East now accounts for 22 per cent. of the total.

FT CONFERENCE

## Sadat sees bigger role for private sector

By Peter Field

CAIRO, June 7.

THE PRIVATE sector's role in industry, agriculture, tourism and other activities in Egypt is expected to increase, President Sadat said in a statement opening the Middle East Development Conference in Cairo to-day. The statement was delivered to the conference—organised by the Financial Times and Al-Akhbar in conjunction with Egypt Air—by Egyptian Premier Mamdouh Salem.

President Sadat also said Egypt is doing all it possibly can "to reinforce and accelerate the attainment of peace in the region." The flow of capital from the industrial nations to Egypt and the developing nations is important, he said, but it can no longer be seen as a humanitarian obligation. It "must be understood to be an important prerequisite for international stability."

Egypt's Minister of Economy and Economic Co-operation, Mr. Mohammad Zaki Shafei, stressed the country could not go on depending on grants, other financial aid and short-term borrowing to finance large balance-of-payments deficits. Nor could Egypt go on suppressing inflation through large-scale subsidies. The Government's objective, he explained, was a "dynamic, self-reliant economy." But the flow of foreign capital could not be dispensed with and the £E600m. five-year plan (1976-80) would depend on this.

Egypt is passing through a critical economic period, Mr. Shafei said, and has to go through the long-delayed process of rationalisation of consumption expenditures, both public and private.

The declared policy of the Government, he said, is to push through major economic reform within the framework of the "open door" economic policy.

Irish Foreign Minister, Dr. Garret Fitzgerald said political and technical difficulties had got the Euro-Arab dialogue off to a slow start but several projects had been identified for cooperation between the EEC and the Arab League.

Problems remained, he said, particularly on trade liberalisation, the transfer of technology and guaranteeing Arab investments in Europe. However, the organisation and procedures of the dialogue had been agreed.

Mr. Reg Prentice, Britain's Minister for Overseas Development, in a speech read for him by the British ambassador in Cairo, stressed the contribution Britain and other industrial states can make to third world development by identifying and working up projects to be financed by OPEC aid agencies.

Britain is setting up a special technical assistance fund to enable it to join with the Arab Fund for Economic and Social Development in mounting feasibility studies of a regional character in the Middle East.

Other speakers included Egypt's Minister of Industry and Mineral Wealth, Mr. Issa Shaheen, the managing director of the Arab Financial Consultants Company of Kuwait, Dr. A. M. Al-Tanamly, and Arab League under-secretary for economic affairs, Dr. Hussain Khalaf.

## Iran awards $30m. gas pipe contract

By Robert Graham

TEHRAN, June 7.

ITALY'S SNAM PROGETTI and France's Sofregaz are understood to have been awarded the contract for the engineering studies for the construction of the Iranian part of the giant pipeline carrying gas from southern Iran through the Soviet Union to West Germany, France and Austria.

The project, known as IGAT TWO, is expected to cost Iran a total of $2.5bn. The present engineering contract is understood to be worth about $30m.

The award to these two companies is a blow for Britain's IMEG, which was responsible for the engineering of the first gas pipe line to the Soviet Union and had also tendered. The bids of the French and Italian companies were apparently substantially lower and Iran at present is in no mood to accept the highest tenders.

## Soviet trade deficit with West grows

MOSCOW, June 7.

GRAIN purchases following last year's crop failure swelled the Soviet Union's trade deficit with the West in the first three months of 1976. But more favourable trade with Third World countries left Moscow with an overall improvement in its world trade balance.

Figures published in a supplement to the magazine Foreign Trade put the first quarter trade gap with the non-Communist industrialised nations at Roubles 1.3bn. (£977m.).

The figures were not itemised by goods bought and sold.

Reuter

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## U.S. will impose import quotas on special steels

BY DAVID BELL

WASHINGTON, June 7

PRESIDENT FORD, campaigning in the heart of Ohio's steel country, announced to-day that the United States will impose quotas on imports of special steels under the terms of the 1974 Trade Act.

Mr. Ford's announcement, before an appreciative audience of steel workers, at first took Washington officials by surprise, but they later confirmed that quotas are to be imposed and said that the announcement had been planned for Friday, before Mr. Ford made it on the campaign trail.

The American Government has tried unsuccessfully to get the EEC and Sweden to agree to Orderly Marketing Agreements (OMAs) to obviate the need for quotas. But it appears to have had some success with the Japanese who are reported to be on the verge of accepting an Orderly Marketing Agreement which would restrict their exports to the U.S. to somewhere in the region of 76,000 tons a year, or over half the total amount of special steel imported by the U.S. each year.

While the Japanese are understood to have agreed to this in principle, a final decision from Tokyo is not expected until Thursday and it had been intended that the Ford administration would announce its success with the Japanese on Friday morning.

Under the terms of the 1974 Trade Act, if one country accepts an OMA, but others refuse, impose quotas on those unwil to sign such an OMA. But not clear what size these qu will be, since their scope depend on part of the final signed with the Japanese.

There is also some doubt what years the quota figures be based on. In the four 1970-1974 the average import special steel were 135,000 from all sources with the J ese supplying over half Swedes 11 per cent. and the almost all the rest. During four-year period Britain's was an average of 4,251 Complete figures are not available for last year but total was rather higher than average—around 153,000 ton

## Brazil curbs foreign travel to halt outflow of funds

BY DAVID WHITE

RIO DE JANEIRO, June

IN ANOTHER last-ditch effort to help its balance of payments, Brazil has clamped down on foreign travel, imposing a compulsory deposit of $1,150 which Brazilians and foreign residents will have to pay before going abroad.

The deposit, needed for a passport, exit visa or permission to embark, will be held for a year without monetary correction, which means an effective loss of several hundred dollars.

Explaining the measure, Sr. Mario Henrique Simonsen, the Finance Minister, said it was designed to stem an expected $700m. outflow of funds through tourism this year. Brazil's tourist deficit in 1975 was around $350m., and there was a sharp increase in the first quarter of this year.

The move is undoubtedly the most unpopular in a series of restrictions designed to cut down on "superfluous" spending—a temporary ban on imports of luxury goods, currency restrictions and the suspension of duty-free facilities.

With exceptions made for exporters, students, artists, missionaries and, under certain conditions, journalists, the measure will add to the already formidable bureaucracy created under the recent restrictions.

Travel companies criticised the deposit measure because, they said, it penalised the middle-class tourist. The travel business is likely to be severely hit, and the chairman of the Varig airline, Sr. Erik de Carvalho, said it would create "serious problems" in air transport.

Sr. Carvalho foresaw a drop of between 50 and 55 per cent. in international bookings, which account for more than half the airline's revenue, and doubt this could be compensated increase in domestic traffic. year, 340,000 Brazilians trav abroad.

On Brazil's other effort repair its trade deficit, Sr. Paulo dos Reis Velloso, Planning Minister, said the ernment did not intend further import restric Present curbs, he said at a Paulo press conference, adequate to ensure a red in imports in the second h this year.

Brazil's trade deficit in first four months of the ye calculated at $1.2bn., down $1.6bn. in the same period year, but already over the ernment's earlier target fo year as a whole. Exports January to April fell six cent. to $2.59bn.

## Greek shipowners optimistic

BY JOHN WYLES

PIRAEUS, June

AN OPTIMISTIC view of shipping prospects was given here to-day by Mr. Anthony Chandris, president of the Union of Greek Shipowners, at the opening of the fifth Posidonia International Shipping Exhibition which in its size and presentation bears little testimony to the industry's current world-wide recession.

This year's Posidonia is the largest ever staged with more than 400 companies from 29 countries exhibiting.

Their attendance underlines the importance of Greek shipping since few of the exhibitors expect to leave Piraeus with much new business.

However, Greek shipowners spend an estimated $8bn. (£4.6bn.) a year operating, maintaining and renewing their 4,500 vessel fleet. Few of the world's leading shipbuilders, ship repairers, marine engineers and marine brokers and bankers feel that they can afford to stay away. Most hope to cement existing contacts, to make new ones and to pick up trails leading to new business opportunities.

Moreover, as Mr. Cha explained at a Press confer Greek interests have been largest purchasers of new in recent months. T advantage of rock bottom available from the world's yards orders have been p for 130 bulk carriers, dry and other merchant ships. " no owner, Greek or other orders new vessels unles possesses a degree of opti for the medium- and long future of his industry," he

## Uruguayan envoy wounded by gunman

A gunman, firing from a short distance, yesterday seriously wounded the Uruguayan ambassador to Paraguay Carlos Abdala, as he was leaving a meeting of experts of the Urupabol (Uruguay, Paraguay and Bolivia) Economic Organisation in Asuncion, Robert Lindley writes from Buenos Aires.

Security guards immediately arrested the gunman, whose identity has not yet been made known, although it is understood *he is a Croat. Paraguayan Foreign* Minister Alberto Nogues later speculated that the target for assassination was not the Uruguayan but the Yugoslav ambassador and that the assassin made a mistake.

### Torres body flown out

The body of former Bolivian President Juan Jose Torres, who was abducted and murdered in Buenos Aires last week, was flown to Mexico City yesterday aboard a scheduled commercial flight, writes Robert Lindley. It was the last-minute decision by his widow to reject an offer by the Bolivian *President, Gen. Hugo Banzer,* to give Gen. Torres a state funeral that obliged a Bolivian air force aircraft flown to Buenos Aires at the week-end to return without his body. Gen. Torres, a left-winger, was deposed in 1971 after ten months in power.

### Tyre dispute talks

Firestone Tyre and Rubber said negotiators for the company and the United Rubberworkers Union were to meet in Washington yesterday with a federal mediator, Reuter reports from Akron, Ohio. The head of the Federal Media*tion and Conciliation Service,* Mr. James Scearce, called the meeting to try to end the seven-week rubberworkers' strike against the four major U.S. tyre companies.

### Kissinger in Bolivia

U.S. Secretary of State Dr. Henry *Kissinger* has arrived in Bolivia amid one of the biggest displays of security ever seen in the country following left-wing protests against his 15-hour stopover, *Reuter reports from Santa Cruz.* He was due to have talks with President Hugo Banzer and Foreign Minister Oscar Adriazola before flying to Santiago, Chile, for the general assembly of the Organisation of American States.

### Ford men's benefits

THE LABOUR Department has ruled that 22,300 workers at eight Ford Motor parts plants in Ohio and Michigan are eligible for federal trade adjustment benefits because they were laid off due to increased sales of imported cars and car parts.

THE OHIO PRIMARY

## Why Carter must win

BY DAVID BELL

WASHINGTON, June 7.

OHIO IS the one state that Mr. Jimmy Carter knows he cannot *afford* to lose to-day. He must win a large share of the 152 delegates at stake if he is to have a real chance of Democratic nomination for Presidential candidate on the first ballot. A bad showing here could be a fatal blow to his carefully fostered, if slightly faded image of invincibility.

For the last time in this primary series his opponent is the indefatigable Rep. Morris Udall, still *without a victory* anywhere, but still trying, as he puts it, to "smoke out" Mr. Carter and *force* him to be more specific. Mr. Udall has a series of barbed television commercials attacking Mr. Carter's "fuzziness" and has campaigned remorselessly as he did in Michigan, the state next door.

But Ohio, America's sixth largest state, is surprisingly different from its neighbour. Unlike Michigan it has no one urban centre. Several grey and ageing cities like Cleveland and Akron give the state a solid industrial base, but each community is *proud of its own independence,* particularly at primary times. Most of them are still heavily Democratic—places where the melting pot has not quite melted, *with a strong ethnic* and Black vote. Yet Ohio is also a state of small towns and farms and parts of it remind the visitor of states *much farther south, even down* to the strong fundamentalist streak that is much in evidence.

More conservative than Michigan, where Mr. Udall utilised his liberal support to come from be-



hind in the last few days, Ohio should be good Carter country. To make sure that it is, Mr. Carter has spent some $300,000 *on television commercials and has* built up a very smooth organisation, although he has lost some labour backing to Mr. Udall and has managed uncharacteristically to alienate much of the Black vote that he usually relies on, particularly in Cleveland. Even so the polls put Mr. Carter far ahead and, *in contrast to Michigan, there is no sign of a last* minute Udall surge.

However the race has also been complicated in Ohio by the entry of Sen. Frank Church, who has beaten Mr. Carter elsewhere and was building up steam in the state until he had to suspend *his campaign, first because of* illness and then because of the dam burst in his home state of Idaho.

*Mr. Carter meanwhile has* begun perceptibly to change his campaign style. With the aid of a new speech-writer he has begun to use more "Presidential" material, to concentrate less on himself and more on his policies and his "vision" of the future.

For President Ford when he arrived in Cleveland last night there were muted boos from onlookers outside the hotel where he was speaking, but these will probably not have worried him too much. He has the support of almost every Republican who matters in the state and Mr. *Reagan is not even on the ballot* in some districts.

But the real interest in Ohio will be in the Democratic race. Even Mr. Udall has conceded that a big Carter victory in Ohio would almost certainly deliver the Democratic nomination to the former Georgia governor. Defeat, or a poor showing, however, will probably have Senator Hubert Humphrey, California Governor Jerry Brown and others again leaping up before the public even as the computers are tabulating to-morrow's vote.

NEW JERSEY

## A bitter and partisan struggle

BY JAY PALMER

NEW YORK, June 7.

ONLY A FEW weeks ago, when Mr. Jimmy Carter's bandwagon was rolling strong, local pollsters were convinced he had to-morrow's New Jersey Democratic *Party presidential primary* election sewn up.

This may well have been the case but with California Governor Jerry Brown's recent primary successes and Senator Hubert Humphrey's highly visible speechmaking, the New Jersey campaign has degenerated into a bitter and partisan struggle where the outcome no longer seems certain.

Ironically, Mr. Carter's most visible opponent has been Mr. Humphrey, who, in spite of his avowed non-candidature, has fulfilled an intensive speaking tour around the state.

By contrast, the state's Republican Party primary appears to be clear cut. The Republicans are holding two ballots—one for convention *delegates* and the other a straight-forward popularity contest in which former California governor Ronald Reagan is not even entered. At worst, President Gerald Ford should lose only 15 or 16 of the 67 delegates.

*CALIFORNIA'S highly controversial* **Proposition 15, which would place severe limitation on the development of nuclear power facilities in the State, appears headed for a heavy defeat according to the latest public opinion poll, writes Jurek Martin from Los Angeles. The respected *Field Poll* puts the opposition to the measure ahead by 54 to 26 per cent., with the balance undecided. Debate over the measure has been heated in the last few weeks. Opponents of it, led by many major companies, have spent heavily in their campaign to defeat it.**

**Nuclear referendum, Page 28**

For the Democrats, New Jersey *will be fielding 108 delegates,* the eighth largest single block at the national convention. Voters are being asked to choose between, on the one hand, Mr. Carter and, on the other, the so-called uncommitted convention delegates controlled by the state party machine.

Although officially no other Democratic candidate is running against Mr. Carter, the "uncommitted" group of delegates has made no secret that it favours first Mr. Humphrey and then Mr. Brown. While Mr. Brown has done little or no local campaigning, his father and other relatives have been standing in for him and have capitalised on this support.

Mr. Carter has the support of New Jersey Governor Brendan Byrne, but even this, given before party splits became bitter and clearly on the assumption that Mr. Humphrey would not stand, could later be withdrawn. Such prominent local Democrats as *Watergate impeachment* Representative Peter Rodino and Newark Mayor Kenneth Gibson have maintained their neutrality.

## Capital spending plans cut

*By Our Own Correspondent*

NEW YORK, June 7.

**CAPITAL spending by the largest U.S. companies was lower than expected during the first three months of this year, the Commerce Department said to-day. Nevertheless, it added, a current survey shows that businesses are now apparently preparing to spend more than previously expected during the current quarter and the rest of this year.**

**The federal Government analysis this morning coincides with a *private survey by the* conference Board, a business research group, showing that capital spending plans by America's 1,000 largest companies were cut 12 per cent. during the quarter against the level seen in the final three months of 1975.**

**The Commerce Department, whose study looks at a greater number of companies, said that U.S. business aim to spend $121bn. *on new plant* and equipment this year, a 7.3 per cent. rise on 1975. It added that three months ago its forecast was for expenditure totalling $120.1bn.**

***Actual first quarter spending,* the department said, was $114.7bn., down 3.6 per cent. *on earlier projections.***

**Taking the *narrower view,* the conference Board noted that spending plans by the largest companies fell from $12.7bn. at the end of 1975 to $11.1bn., the largest reduction coming in the petroleum industry. The research group projected that *appropriations* (that is spending plans) would increase 12 per cent. this year**

## Cuban threat to end U.S. hijack pact

HAVANA, June 7.

**PRIME MINISTER Fidel Castro has threatened to cancel an anti-hijacking agreement if the U.S. Government does not prevent further bomb attacks against Cuba's United Nations mission in New York.**

**Dr. Castro, addressing a rally here last night after an explosion at the mission, also said that Cuba had never had to resort to terrorism, but added: "Let nobody doubt it, we would be efficient terrorists."**

**Dr. Castro said that Cuban commitment to the agreement "will not be eternal and will depend on what steps the U.S. Government *takes* to prevent further crimes against our fishermen and diplomats." Reuter**

## Many feared killed after Idaho river dam collapse

BY OUR OWN CORRESPONDENT

WASHINGTON, June 7.

AS THE flood waters in Idaho's Snake River Valley began to recede to-day the full extent of the loss of life and damage caused by the collapse of an earth dam on the Teton River two days ago is becoming apparent.

Five people have been found dead so far but some estimates put the number of *missing* at more than 100 and fears are growing that there may be a sizeable number of *people* buried in the *mud* that has overwhelmed the small communities below the dam. Some 30,000 people have been evacuated from their homes and 7,000 houses have been destroyed. A preliminary assessment puts total damage at close to $1bn. although it is too early to put a precise figure on it.

President Ford has declared the region a disaster area which makes it immediately eligible for federal aid and Sen. Frank *Church, who broke of his campaigning* in Ohio to fly to the scene, said that it was up to the federal Government to make good the damage since it had been building the dam.

Hard on the heels of the disaster a major controversy has *broken out about the siting and* construction of the 310 ft. high dam, which is now only half intact. Mr. Harry Stivers, assis*tant director of the area office of* the Federal Bureau of Reclamation, which was investigating a leak in the dam just before it burst, said yesterday that about 4bn. cubic yards of dirt and rock had been blown loose from the $43m. structure.

First conceived in 1964, the dam was fiercely opposed by environmentalists, partly on the grounds that it was being built in a "geological fault zone." The issue went to court with the opponents arguing that the federal impact statement about the dam did not pay sufficient attention to the underlying geological conditions. Despite a strong argument by a former Bureau of Reclamation geologist that the project was unsound, a federal judge upheld the decision to construct the dam which was completed last autumn.

In court, Mrs. Shirley Pytlak, the geologist, argued that core-drilling holes made in a test had soaked up 300 gallons of water a minute. "If this much water can be absorbed by drilled holes, how much would leak from the whole reservoir?" she asked.

There has been no official explanation of the disaster yet but just after it happened several eye witnesses maintained that *there had been what looked like a* massive earth movement. Two federal officials were reported last night however to have *reached the preliminary conclu*sion that a corner of the dam began crumbling because water seeped through three "grout" curtains constructed between the earth of the dam and the rock of the Teton River bed.

## $25m. to get smelters back to normal output

BY ROBERT GIBBENS

ALCAN Aluminium says it will take $25m. and up to three months to get its struck Quebec smelters back to normal operation, assuming a quick settlement.

Alcan's 300,000-tons-a-year Kitimat smelter is still in normal operation to-day. About 400 non-union staff have been able to keep the smelter operating despite continued picketing by union workers who walked out last Thursday.

The company was expected to gain a court injunction later to-day ordering the pickets set up by the Canadian Association *of Smelter and Allied Workers* to let staff enter.

*However, the union threatened* to defy any court injunction unless the company agrees to reopen the contract signed earlier this year.

This contract provided for a first-year increase of 8 per cent. and major industries in Canada have been settling for first-year increases of up to 14 per cent.

Roughly half of Alcan's 1m. short tons Canadian ingot capacity remains shut down because *all Quebec smelters are struck* except one. The impasse with the Federation of Aluminum Unions in Quebec remains *unchanged.*

## 'Canada might lift wage controls'

OTTAWA, June 7.

THE GOVERNMENT will consider lifting wage and price controls before the programme's three-year term is up in autumn 1978 if inflation by "some miracle" falls to 4 per cent. annually, Prime Minister Pierre Trudeau told the annual meeting of the Canadian Manufacturers' Association.

*Mr. Trudeau said that the 4 per* cent. inflation level rather than a definite time span was the primary intention of the controls.

● The Anti-Inflation Board has said that it will not intervene in price increases requested by Canadian steelmakers on products including hot rolled steel and tubular steel.

Although the agency did not identify the steelmakers, it was learned that the manufacturers include Steel Co. of Canada, *Algoma Steel Corp. and Dominion* Foundries & Steel Co. which recently announced price boosts. AP-DJ

## Censorship easing in Brazil

By David White

RIO DE JANEIRO, June 7.

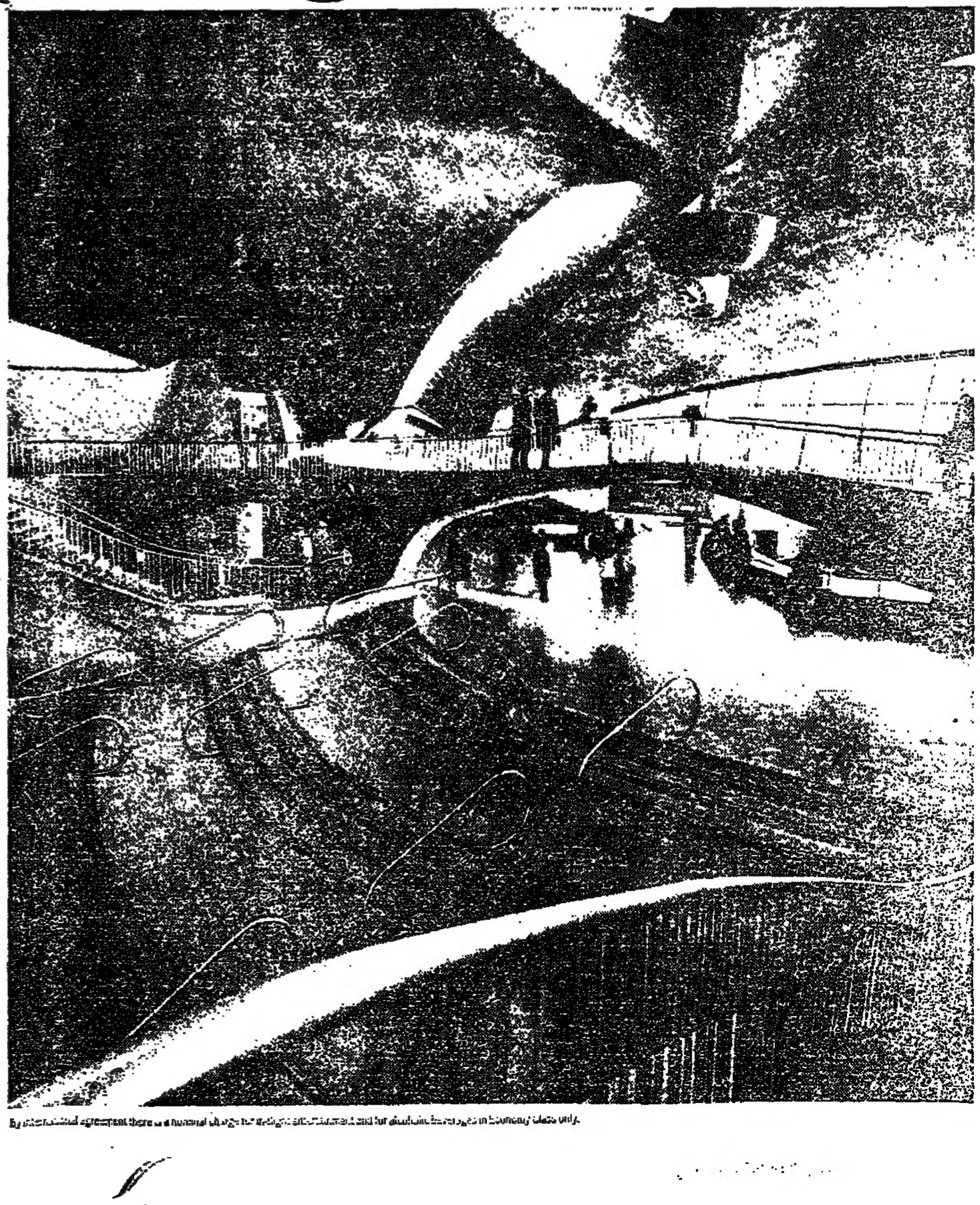
THE GRADUAL move towards greater Press freedom in Brazil has gained pace with the lifting of censorship on the weekly *news magazine* Veja. The federal police in Sao Paulo announced that as from this week the magazine would not have to send its proofs for prior approval.

Direct censorship is now limited to two newspapers, including the Catholic Church's *diocesan paper in Sao Paulo,* two weekly current affairs magazines and a series of glossier publications which are supervised more for moral than political reasons.

Censorship on Veja was stopped for a short time after President Ernesto Geisel took over the Presidency in March, *1974, but was re-imposed follow*ing the publication of cartoons referring to security methods. In one of these, a man was depicted hanging by his wrists from a prison wall, with a voice coming from the corridor saying, 'No evidence.'

Observers connected the ending of censorship with the recent resignation of the magazine's editor, Sr. Mino Carta, following differences with the publishers. *Restrictions on the main* Sao Paulo newspaper, O Estado de Sao Paulo, were stopped at the beginning of last year.





# EUROPEAN NEWS

## Gaullist stand on capital gains tax Bill uncertain

BY ROBERT MAUTHNER

PARIS, June 7.

ON THE EVE of the resumption of the parliamentary debate on the Government's capital gains tax Bill, it was still uncertain whether France would be faced with a full-scale political crisis provoked by Gaullist opposition to the measure.

The outcome of the talks, over the Whitsun week-end between President Giscard d'Estaing and his Gaullist Prime Minister M. Jacques Chirac remained shrouded in secrecy. M. Chirac refused to make any statement whatsoever after leaving the Fort de Bregancon in the South of France, where his meeting with the President took place, and the country was left in the dark about whether a compromise solution had been found.

Rumours about a possible resignation of the Prime Minister, who is known to be personally opposed to the proposed tax and even a dissolution of the National Assembly by the President continue to circulate. But they are clearly nothing more than speculation and it can be taken for granted that M. Giscard and M. Chirac will have explored every possible way of healing the rift between the President and the senior member of the Coalition Government.

A collapse of the Coalition at a time when support for the Socialist and Communist Opposition parties is already very great would clearly place the Government parties and not least the Gaullists in a very weak position for the general election due in 1978.

The Gaullists, apparently, are beginning to realise the danger of taking their opposition to the Capital Gains Tax too far, for M. Yves Guena, the Secretary-General of their Party, the UDR, has made a number of soothing noises over the week-end.

The capital gains proposals had been badly presented by the Government, M. Guena said in a radio interview yesterday. But they were not an essential matter for the Party since they did nothing to undermine basic Gaullist principles. The Gaullists were not going to allow themselves to be killed because of their attitude towards the Bill.

M. Guena expressed the hope that a compromise formula could be found through amendments to what he described as an "ill-prepared Government text."

## Rabies alarm in Belgium

BY DAVID CURRY

BRUSSELS, June 7.

THE RAPID advance of rabies to the River Meuse is beginning to alarm Belgian health authorities. In the first five months of this year 254 cases have been reported in 176 local authority areas in the heavily wooded hilly country of the Ardennes

Since in summer the Ardennes are invaded by campers—some of them with their pets—the authorities are afraid that the disease could be brought back across the river and then advance towards the heavily populated zone of Central Belgium.

It is hoped that the barrier of the Meuse itself and the lack of extensive woodlands west of the river may limit the spread of the disease. In addition, strict controls are in force. Tourists who take their dogs to the affected area must have them vaccinated. Dog shows and the like are forbidden; and animals taken on to camp sites anywhere in the country must be vaccinated.

## Spain plans aid to shipbuilders

MADRID, June 7.

THE SPANISH Government will give official support in the form of loans to the country's shipbuilding industry, the Official Bulletin said.

The Government will make a public announcement on the building of ships for the National Merchant Navy totalling 1m. gross registered tonnes.

The State loans will be up to 80 per cent. of the ship's value with debt repayment between eight and ten years at an 8 per cent. interest rate.

● Riot police used truncheons and a water cannon to break up a demonstration here to-day by several hundred student hospital workers, most of them nurses.

Eyewitnesses said at least four people were arrested when the demonstrators tried to march through the centre of Madrid to the Ministry of Education

Thousands of nurses, laboratory technicians and research assistants have been on strike for more than a week

Reuter

## UN force mandate in Cyprus renewed

By Our Own Correspondent

UNITED NATIONS, June 7.

THE PARTIES to the Cyprus dispute have agreed to a further six-month extension of the mandate of the UN peace-keeping force on the island, Dr. Kurt Waldheim, the secretary-general, said in a report to-day to the Security Council.

The current mandate expires on June 15. The council is to meet before then to ratify the extension and consider what further steps may be possible to promote a political settlement of the Cyprus question, which has been on its agenda for more than 12 years.

Mr. John Christofides, the Cyprus Foreign Minister, has arrived in New York to discuss the problem and take part in the council meetings.

In his written report, Dr. Waldheim referred to his own efforts to negotiate an agreement in talks with Greek Cypriot and Turkish-Cypriot representatives in Vienna and New York. The fifth round of these talks took place in February, but another session scheduled for May still has not been held because of renewed differences between the two sides.

Dr. Waldheim said he and his personal representative in Cyprus, Dr. Savier Perez de Cuellar, of Peru, were trying to remove the obstacles in the way of a resumption.

"Before reconvening the talks, it is obviously necessary to have reasonable assurances that they will be meaningful and productive," he said. "Despite all the difficulties, I continue to believe that the best hope of achieving a just and lasting settlement of the Cyprus problems is through negotiations between the representatives of the two communities.

"But for those negotiations to serve a useful purpose, all the parties concerned must be willing to show the necessary flexibility, taking into account not only their own interests but also the legitimate aspirations and requirements of the opposing side. It is also important that agreements reached at previous rounds should be respected and carried out."

## Call for lead from U.K.

BY REGINALD DALE, EUROPEAN EDITOR

BRITAIN should take the lead inside the EEC in pressing for a new economic partnership between the Western industrialised countries and the Third World. This is the main theme of a Conservative pamphlet by Mr. Christopher Tugendhat, MP. for the Cities of London and Westminster, published yesterday.

The EEC countries, including Britain, are particularly vulnerable to developments in the Third World owing to their dependence on the developing countries for an exceptionally high proportion of their commodity imports, Mr. Tugendhat says. The power of the Organisation of Petroleum Exporting Countries (OPEC) is probably unique, but the possibility of other producer groups taking advantage of a temporary shortage to pursue similar politico-economic trends must now be seriously considered, he argues.

The West's interest lies in persuading the developing countries that their best interest lies in the creation of a new economic partnership. The West must offer to stabilise the developing countries' receipts from commodity exports and open up its markets to their processed and manufactured goods by liberalising tariffs.

Mr. Tugendhat recommends that the EEC's stabilisation scheme, incorporated in the Rome Convention with 46 developing countries in Africa, the Caribbean and the Pacific, should be extended to more countries and commodities. Britain and the EEC should also support Dr. Kissinger's proposal for a worldwide stabilisation scheme based on the IMF, as well as his more recent proposal for an International Resources Bank.

Action must also be taken to relieve the poorest countries of their most onerous debt burdens, while aid should be maintained and where possible increased — even though its development role can never be more than minor compared with trade. The industrial democracies should mount a major campaign to persuade developing countries that foreign direct investment and international companies have an important role to play in securing the various objectives sought by both groups of nations.

Britain has a key leadership role because it is the base of the overwhelming majority of non-American international oil, mining and plantation companies; London is the centre of most of the important international commodity markets; and membership of the Commonwealth is an important British advantage, Mr. Tugendhat argues.

*Britain, Europe and the Third World. Conservative Political Centre, 32, Smith Square, London SW1P 3HH. 40p.*

## Azevedo may resign

LISBON, June 7.

ADMIRAL JOSE Pinherito De Azevedo is considering giving up the Premiership to devote more time to the Presidential election campaign, his spokesman said to-day.

The admiral, who is standing as an independent in the June 27 poll, has headed the Provisional Coalition Government since last September.

He would be replaced either by Major Ernesto Melo Antunes, the Foreign Minister, or by Commander Vasco Almedia E Costa, the Interior Minister, the spokesman said.

Major Antunes told reporters on his return from a visit to the Soviet Union to-day it was not "suitable" for him to take over the post. This could raise political problems, and in the line of succession the Interior Minister was the man to take over, he said.

Admiral Azevedo will decide whether to give up the Premiership towards the end of this week, when his campaign programme has been worked out, the spokesman said.

The Admiral is thinking only of being temporarily substituted rather than resigning, the spokesman said. But it would amount to the same thing in practice, since his Provisional Government is due to hand over after the Presidential poll.

The June 27 vote is the last stage in the process of transition to a democratic regime begun by the coup in 1974 that ended the right-wing dictatorship.

Reuter

# Gierek likely to sign two major economic deals on Bonn visit

BY LESLIE COLITT — BERLIN, June 7.

WEST GERMANY is attaching considerable political and economic weight to the four day official visit of Mr. Edward Gierek, the Polish Communist party chief, beginning to-morrow. It is the first time that a Polish leader has come to post-war West Germany as a sign of a broad reconciliation between the two countries.

Chancellor Helmut Schmidt is personally to greet the Polish party's First Secretary when he arrives at Hamburg airport. He will confer with Herr Schmidt at the Chancellor's home in Hamburg before leaving for Bonn on Wednesday for further talks.

The culmination of the visit is expected to be Friday's signing in Bonn of two major economic co-operation agreements between Polish and West German companies. West Germany is also hoping to sign a cultural agreement with Poland, to include West Berlin, the same day.

The West Germans are already Poland's main trade partners in the West, with a total volume last year of DM4.6bn. (£1.30bn.). Poland imports more from West Germany than any other country apart from the Soviet Union, and last year Warsaw's trade deficit with West Germany was nearly DM1.8bn. The cumulative Polish deficit in trade with the West Germans over the past five years is estimated to stand in excess of DM5bn.

Poland's gaping trade debt with West Germany is one explanation for the two economic co-operation agreements to be signed between the two countries. A Krupp-led consortium is to build two coal gasification plants, using the Krupp-Koppers process, in Poland's upper Silesia region, as well as a series of downstream chemical plants worth a total of DM2.65bn., one of the largest single West German deals with a Comecon country.

The ammonia and urea to be derived from the synthetic gas is to be used in the production of chemical fertilisers, while methanol is to be separated for use in improving the octane grade of petrol.

A joint West German-Polish company is to buy back these products for sale in the West, to enable the Poles to repay the West Germany financing of the deal, which is being handled by a consortium of banks headed by the Dresdner Bank. The question of interest rate levels and West German Government-backed export credits is reported to have been the subject of intensive and complicated discussions between the Poles and West Germans in recent weeks.

The other major co-operation project involves the extraction of Polish copper reserves in the Lublin area, believed to be Europe's largest, by a West German consortium headed by Metallgesellschaft. The project is estimated to be worth DM300m. and West German credits for the machinery and equipment are to be paid back by Polish deliveries of 40,000 tons of copper a year over a period of 12 years.

In an interview with the West German magazine *Der Spiegel*, Mr. Gierek said that in the future Poland will have to reduce its trade gap with West Germany with the help of "joint exports to third markets."

The Polish leader also hinted at the actual level of Polish indebtedness to all Western countries, which has been estimated at some $6bn. to $8bn. He said the annual growth in Polish investment is $4bn., and that if Poland were to keep its investments at the present level, it could "pay off the entire debt." He added that a planned economy permitted "other measures to be taken for solving the debt problem."

In the course of his visit Mr Gierek will also meet the West German Christian Democratic opposition leader, Herr Helmut Kohl, in the Rhineland Palatinate.

# No progress towards Communist summit

BY PAUL LENDVAI — VIENNA, June 7.

PREPARATIONS for the Communist summit of 28 European parties have entered a crucial stage, with simultaneous high level talks going on between the Yugoslav and Soviet parties, the Yugoslav and Romanian parties, and the Romanian and Italian parties.

Since last Friday Mr. Konstantin Katushev, the Soviet Central Committee secretary in charge of relations with the ruling parties, has been conducting apparently inconclusive talks in Belgrade with the Yugoslav party leadership. The two communiques so far issued refer to "long and frank" talks, which in Communist jargon means that no agreement has been reached.

Mr. Katushev was received today by President Tito and handed over to him a personal message from Soviet leader Mr. Brezhnev.

Mr. Stane Dolanc, the secretary of the Yugoslav executive committee, is understood to have told the Soviet emissary that Yugoslavia would only participate at the Communist summit, which should have been held in mid-1975, if the principle of agreement by consensus is upheld, and a draft document acceptable to all parties is submitted to the full-fledged conference.

In an interview published on Saturday in the official party weekly in Belgrade, Mr. Dolanc said that the conference only made sense if it was a free exchange of opinions and added that certain substantial questions were still open. He stressed that the preparations for the conference already proved that momentous and serious changes have emerged in the international workers' movement, showing that a single centre is no longer possible.

Meanwhile the Romanian President and party chief, Mr. Ceausescu, sent Central Committee secretary Andrei as special envoy to Italy to be received by the Italian Communist leader, Sig. Enrico Berlinguer. They discussed, in "an atmosphere of warm friendship," topical problems of the international Communist movement, a brief communiqué said.

The Italian party is also in favour of the principle of unanimous decision, and Sig. Berlinguer stressed last month that the conference document should only contain statements approved by all participants.

Finally, the Yugoslav leadership during the week-end despatched Mr. Todo Kurtovic, a presidium member and secretary of the executive committee, to Bucharest to co-ordinate policies.

The next meeting of the editorial commission, which has been preparing a draft document for the conference, is scheduled to begin on Thursday





With West Germany well into recovery, Adrian Dicks explains why the CDU is . . .

# Casting around for electoral weapons

THE ROUND of pre-election party conferences in West Germany will draw to a close next week when the governing Social Democrats come together in Dortmund. The two that have already occurred—those of the Free Democrats and of the Opposition Christian Democrat Party—have failed to highlight any new issues in this election campaign: indeed, they have watched issues wither away.

With the recent clear fall in unemployment the German economic situation has reached the point where Chancellor Schmidt and his SDP coalition partner Herr Hans-Dietrich Genscher, can claim almost complete success in piloting Germany through the recession. There is still some worry about prices, but the overall trend makes the economy a tough question for the CDU leader, Dr. Helmut Kohl, to turn to his advantage.

A second area where the CDU, and particularly its Right-wing, has seen a potential campaign weapon crumble is over relations with Eastern Europe. At the time of the parliamentary crisis over the Polish Treaties in March, there were confident predictions that the Schmidt variety of Ostpolitik, which was attacked as "buying back human beings" from Warsaw, would be rejected by the voters. Instead, opinion polls showed approval of the Treaties, and Mr. Edward Gierek, the Polish leader, comes to Bonn next week to sign a fresh bundle of massive trade and investment agreements.

As for Moscow, sometimes accused of behaving as the "fifth party" in German election campaigns, there seems no doubt where the Kremlin's sympathies lie, in spite of the recent irritants of spy cases and strained relations over Berlin. Mr. Leonid Brezhnev took the initiative by writing a personal letter to Herr Schmidt last month, which is expected to lead to a visit to Bonn by the Soviet leader before the summer is out.

When the CDU gathered in Hanover last week for its lavish pre-election Party Conference, it still seemed to be casting about for an issue. The proceedings, it is true, approved a campaign manifesto, gave an opportunity for a display of at least surface harmony among the party's various factions, and not least, gave a boost to Dr. Kohl personally for what his colleagues believe will be a very clear two-man battle between "the two Helmuts."

As a new focus of its campaign, however, the CDU leadership, steered by its shrewd and ambitious Secretary-General, Professor Kurt Biedenkopf, used the Hanover Conference to launch a fresh European policy. A whole day was set aside to debate the question, examining how Germans perceive the European Community now, and how they want to see it evolve in the future. The Party realises that the audience is widening in the Federal Republic for words of caution, and that many in Germany already assume that the Italian Communists will gain at least a share in the next Government in a fortnight's time.

The CDU's European Day undoubtedly proved to be a triumph in public relations terms. Dr. Kohl shared a platform with a distinguished gathering of politicians from fellow European Christian Democratic and Conservative parties that included Mr. Leo Tindemans, the Belgian Prime Minister, Mrs. Margaret Thatcher, Sir Christopher Soames, Sig. Amintore Fanfani and M. Jean Lecanuet. If their declared hopes of founding a firmer European bond between their parties remains somewhat distant, their presence—particularly Mrs. Thatcher's—dominated German headlines for a day and helped to strengthen Dr. Kohl's credentials as a statesman ready to take his place in the Nine's highest councils.

**The CDU's European Day brought together Democratic and Conservative leaders from many other European countries. But, while Herr Kohl's speech was close to the line pursued by Herr Schmidt, rank and file CDU members showed urgent concern with joint European defence.**

But what of the CDU leadership's basic concern in setting aside a Europe Day—to help it win the election? The CDU clearly hopes to have set its sails in such a way as to catch either a Right-ward wind caused by a strong drift to the Left in Italy and perhaps France, or else a more traditionally "European" breeze of the kind Herr Schmidt hopes to appeal to.

Dr. Kohl's own speech indicated a vision of the future of the Community essentially very similar to Herr Schmidt's—if allowance is made for the tactical barbs he directed at the Chancellor for "schoolmasterish" behaviour towards other Member Countries and "obstructing real unity." The CDU leader called for a united Europe to achieve peace, freedom and progress on the basis of a "renewal of the spirit of the 1950s," and declared his backing for a firm commitment to direct elections to the European Parliament by 1978. There must also be a more direct involvement of citizens of the Nine in the affairs of their Community.

Behind these ringing phrases, echoed by other speakers from the Party leadership, the discussion groups at which rank and file CDU members and local officials spoke showed joint European security to be a much more urgent concern. To judge from those who aired their views, the sober facts of Soviet troop strength or threatening behaviour in Berlin are more potent cement for Europe than the crisis in the Community. A lady from Lower Saxony seemed to sum up the feelings of many present when she bluntly demanded of Herr Werner Marx, one of the CDU's top foreign policy spokesman: "What guarantee can you give me that the Russians won't be on my door-step to-morrow?"

It is the abiding strength of views such as these that is making Dr. Kohl's balancing act as CDU leader and candidate for the chancellorship particularly delicate. Can he afford to equate being a good European with putting defence before other concerns, as many on the right of the Party would like? Can he be a better European than Herr Schmidt without becoming strident about the "Communist threat" to the Community? And can he avoid the pressure from the right—and especially from Herr Franz-Josef Strauss' Bavarian wing—to smear the Social Democrats with a red brush?

One illustration of the dilemma of Dr. Kohl and his advisers has been the squabble over the CDU's electoral slogan. It started out with "freedom or socialism," thus trying to suggest that a vote for Herr Schmidt (of all European Social Democrats) might somehow open the way to Eastern style rigidity.

Under fire from all sides, the CDU changed its cry to "freedom in place of socialism"—though this, too, brought curt retorts from the Government that the implied message is still that one excludes the other. Cynics are wondering whether the CDU's media men may have to print yet a third batch of posters and glossy bumper-stickers.

What makes Dr. Kohl's task harder is the now almost cast-iron decision of the FDP, minority partners in the Coalition since 1969, to stay wedded to the SPD. This means that the CDU, in order to form a Government, would need an absolute majority of the Bundestag, and thus a much stronger swing than even senior party officials privately expect.

There may be no absolute certainties in politics, but the decision of the FDP Conference in Freiburg to maintain its present alliance with the SPD after the October election was more definite and less ambiguous than many people had expected. Herr Genscher and his top colleagues are, of course, taking a risk in appearing so firmly welded to Herr Schmidt.

Once again, the FDP leaders are running on the proposition that they are the liberal tail that can wag the Social Democratic dog. Their speeches tended both to reiterate FDP accomplishments during the past four years and to demand a greater weight in the next Cabinet: "It takes two to form a partnership," as Herr Genscher remarked.

He will get his answer from Chancellor Schmidt when the SPD, in turn, gathers for its Party Conference at Dortmund in a fortnight's time.

## OVERSEAS NEWS

# Indian auguries good as Gandhi leaves for Moscow

BY K. K. SHARMA, NEW DELHI, JUNE 7

PRIME MINISTER Indira Gandhi leaves to-morrow for a five-day visit to the Soviet Union featuring summit talks at which she is expected to explain her economic policies and improved relations with China.

It is her first visit abroad since she clamped a state of emergency on India in June last year. Before she left she warned the country that the emergency was frar from over and people should be prepared for more rigours. Her warning notwithstanding, there is no denying that although many rights remain suspended, India is far better placed than ever before.

Just before Mrs. Gandhi left she heard the good news that the monsoon is expected to arrive on schedule so that last year's record food grain production of 114m. tonnes should be exceeded this year: the rise in national income by around 5 per cent. should thus be achieved: and increased investment (up this year by 31 per cent.) should not lead to inflationary forces worrying other countries and which India has effectively controlled.

Foreign exchange reserves are at a record level of around £500m. after advance repayment of IMF loans. A consortium of 13 Western countries and Japan has just promised $1,000m. in aid and the World Bank will chip in with another $100m. Exports continue to rise at more than an annual 10 per cent. And despite a heavy trade deficit India has unhesitatingly announced a liberal import policy to provide necessary raw materials for growth.

In sum, this means Mrs. Gandhi makes her visit abroad at a time when all auguries are good. She is going to Moscow without a begging bowl, an equal partner in a loose alliance that was formalised in 1971 when the Indo-Soviet treaty of peace, friendship and co-operation was signed and Moscow gave much needed political support when the U.S. sent its ninth fleet up the Bay of Bengal, threatening to intervene in the war over Bangladesh.

Indo-Soviet friendship in fact goes back much further, ever since the Soviet veto in the Security Council on Western sponsored resolutions on Kashmir was used in the 1950's. relations have been close. Just before Mrs. Gandhi left for Moscow she expressed confidence that relations between the two countries would not only prove beneficial to them but also help to promote peace. She said Russia had always extended its hand "of true friendship to assistance whenever India faced difficulties."

Mrs. Gandhi's last visit to Russia was in 1971. This was followed by Mr. Brezhnev's visit to India in 1973 when a 15-year economic co-operation plan was signed. Last April a five-year trade agreement was signed under which the annual trade turnover will increase from R7,300m. (about $800m.) to R3,350m., a growth rate of 7 per cent. annually. This will be even greater when plans for joint ventures, agreed to in principle in a protocol signed in Moscow in April, materialise.

The scope for this is enormous since the bulk of India's impressive heavy engineering capabilities have been built with Russian help and have considerable surplus capacity. Equally important, much of India's muscle power has been provided by Russia which has supplied various kinds of military hardware.

Yet she goes as a free person. In a statement to the ruling party's supreme decision-making body, the All India Congress Committee, Mrs. Gandhi pointedly drew attention to the fact that India's non-aligned foreign policy has been written into the Indo-Soviet treaty of peace, friendship and co-operation; indeed India's Foreign Office is now busy helping Sri Lanka make arrangements for the non-aligned summit conference to be held in Colombo next August. And Mrs. Gandhi has just made her first bold foreign policy initiatives by offering to send ambassadors both to Peking and Pakistan (for the first time to China since the border war of 1962 and to Islamabad since 1971).

This does not mean that all is well in the subcontinent. India's Charge d'Affaires in Peking walked out of a banquet last week when the visiting Pakistan Prime Minister Mr. Bhutto made a reference to "self-determination in Kashmir," later justified by India's Foreign Office on the ground that this violated bilateralism in settling mutual problems that India and Pakistan accepted in the Simla agreement of 1972. Nor does it mean that China has abandoned claims to vast tracts of territory in the Himalayas. The important point is that these initiatives have been taken—and welcomed in Peking—just before Mrs. Gandhi's Russian visit. have been made.

One interesting aspect will be to see how the Russians present their proposals for an Asian collective security arrangement based on the Helsinki model which they have been selling through articles in official newspapers and journals in the past few months. The idea is not a new one, and in the past New Delhi has been lukewarm to it.

# Syrians launch offensive on approaches to Beirut

BY IHSAN HIJAZI

BEIRUT, June 7.

SYRIAN forces, backed by a newly formed faction of the Lebanese army, have launched a land, sea and air offensive to control the approaches to Beirut and the mountain ranges in the east and north east, and to capture an airbase in the northernmost part of the country.

Large-scale battles raged all night and to-day in the Moslem districts of Beirut between supporters and opponents of the Syrian intervention in which mortar, artillery and rockets were used. No accurate casualty figures were available, but initial Press reports said that they run into the hundreds.

The Palestinians and their Lebanese Leftist allies are calling it another "Black September," an allusion to the civil war in Jordan in September 1970, when King Hussein's army suppressed the Palestinian guerillas and eventually drove them out of the country.

Direct news from the scenes of the fighting was not immediately available because continued electricity cuts have disrupted telephone and other communications.

The military situation, as reported by Palestinian sources and Lebanese Press quarters, appears to be as follows: Syrian troops which had regrouped in the Bekaa valley began to move out yesterday afternoon and were given air cover by several Hawker Hunters of the "Vanguards of the Lebanese Army," the nucleus of a new army set up in co-operation with the Syrians. The jets commanded by airforce Captain Mahmoud Mattar, now the Chief of Staff of the new army, took off from the Bekaa airbase of Rayak. They also criss-crossed above Beirut.


The Syrian forces launched a two-pronged attack, one up the mountain range on the main Damascus-Beirut highway east of here, and the second from the town of Zahle up to the hillside towards Aintourah in the north-east.

The forward troops advancing on Beirut were said to have reached the mountain resort of Bhamdoun and were descending on the town of Aley which lies about 12 miles east of here. It is at Aley that Left-wing leader Kamal Jumblat, a vehement opponent of Syrian intervention, has set up his military headquarters.

A statement by Mr. Jumblat's Progressive Socialist Party (PSP) said that its fighters have destroyed four of six advancing Syrian tanks. Another statement issued during the early hours of to-day, however, said that the Syrians had captured a number of "Progressive" fighters" during the offensive.

In the other direction, the Syrians have apparently advanced far enough to be able to shell Palestinian and Left-wing positions at Ayoun el Siman, the ridge which overlooks the ski resort of Farayah. According to the Palestinians, fierce battles are raging there with a high casualty toll on both sides.

Palestinian and Lebanese radio stations said Syrian warships this morning shelled the Lebanese air force base of Qolayaat, on the Lebanese northern coast and not far from the border with Syria.

Informed sources said the Syrians apparently plan to occupy the base to boost the Lebanese air force under Major Mattar. The base is currently controlled by the Lebanese Arab Army, a breakaway faction which supports the left wing and which is fighting against the Syrians.

The Palestinians claim that as many as 25,000 Syrian troops are engaged in the offensive. The figure, informed sources said, must include not only the troops which came over from Syria last week but also the Syrian controlled members of Saiqa commando group and units of the Palestinian Liberation Army which are under Syrian command.

The number of troops which crossed the border into Lebanon last week was given at 6,000.

Beirut to-day continued to resound to the sound of mortar artillery and rocket fire after the clashes had gone on all night. Heavy exchanges continued between the Fatah-led Palestinian groups and elements from the rival Saiqa. The air port was closed.

# Pakistan defence budget up

A provision of over R7,980m. has been made for defence expenditure in the Pakistan national budget for 1977, **our Karachi correspondent writes.** This shows an increase of over R470m. or 6.4 per cent. over the current year's provision. Despite this increase, the share of defence in total non-development expenditure would be slightly lower at 49.05 per cent., according to a budget document.

Finance Minister Rana Mohammad said the annual development programme for 1976-77—amounting to R17bn.—aims at an overall growth rate of 8 per cent. in gross domestic product, comprising, inter alia, 8 per cent. increase in agricultural output, 9 per cent. in large-scale manufacturing output and 15 per cent. in construction activity.

## Taka revalued

Bangladesh has announced re-fixation of the taka—sterling rate at 26.7 effective from yesterday, our Dacca correspondent writes. A Bangladesh Bank announcement said the step had been taken "to promote stability in our international transactions." This is the second time the taka has been revalued against the pound in six weeks. The aggregate total readjustment comes to about 11 per cent.

## Timor mission

President Suharto said yesterday that Indonesia would send a fact-finding mission to East Timor before a merger of the former Portuguese colony with Indonesia, Reuter reports from Jakarta. He was speaking after receiving an official petition from an East Timor delegation requesting that Indonesia take over the territory. The petition was ratified in Timor's capital of Dili last week by a 28-member people's assembly which claims to represent the territory.

## Angola pull-out

Prime Minister Fidel Castro confirmed yesterday that Cuban troops were being gradually pulled out of Angola, Reuter reports from Havana. But he said some units would stay until the Angolan armed forces were able to ensure the security of their country.

## Manila strike

Constabulary troops arrested about 300 workers on a sitdown strike for higher wages and better working conditions yesterday at the Manila Cordage company, AP-DJ reports from Manila. A representative of the Department of Labour said the strikers had not filed the strike notice required by martial law regulations. There was no violence as the troops marched the men into buses.

### ON OTHER PAGES



# Palestinians accused of plot to partition the Lebanon

BY LOUIS FARES

DAMASCUS, June 7.

SYRIA accused Fatah, the guerilla organisation of PLO leader Yassir Arafat of "implementing a plot aiming at the partition of Lebanon and at creating a Palestinian state on Lebanese soil instead of Palestine." A Government spokesman said that Fatah "is doing all it can to escalate the fighting and bloodshed in Lebanon. Fatah has attacked the positions of Saiqa and the Palestinian Liberation Army as well as the offices of the Syrian Baath party in Lebanon and a number of Lebanese popular organisations which support Syria."

The spokesman said that Syria held Fatah and the organisations supporting its responsible for the slaughter that Palestinians are carrying out against Palestinians. Fatah would also be held responsible for breaking the unity of the commando action against Israel and for splitting Lebanese unity.

Observers here understood from the statement that Syria would not hesitate to attack Fatah and her allies by force if they continue to escalate the fighting.

Michael Tingay adds from Cairo: The Arab League to-day called a meeting of Foreign Ministers to discuss the Lebanese civil war. The meeting, scheduled for Wednesday, comes after a demand last week by PLO Foreign Minister Farouk Khaddoumi for an emergency meeting to discuss Lebanon, and the heightening tension between the Syrian army and Left-wing, Palestinian and Muslim forces.

Mr. Gamal Sourani, PLO representative in Cairo, said late last night at a Press conference that the PLO wanted the Foreign Ministers meeting to be followed by an Arab summit.

Thirteen of the 20 member states of the Arab League had to-day agreed to attend though Syria had not responded and was not expected to attend. Observers here saw difficulties in getting the Arab foreign ministers to Cairo at less than two days' notice. For this reason some credence was given to suggestions that although Mr. Ismail Fahmy, the Egyptian Foreign Minister, would lead the Egyptian delegation, some representation would have to be at ambassadorial level.

It is difficult to see what such a meeting will be able to achieve if the party at the focus of the political storm, Syria, fails to attend.

# E. African rail split-up urged

BY OUR OWN CORRESPONDENT

NAIROBI, June 7.

A CANADIAN firm of consultants, Canac, have recommended that the East African Railway Corporation, part of the East African Community, should be split into three separate State railway corporations by the end of 1977.

Canac were retained to recommend on decentralisation last year, after the railways had encountered severe economic problems, partly caused by a hold-up of remittances from Uganda and Tanzania to the railway headquarters here.

The report has not yet been made public, but its contents have leaked out here. Mr. Luka Idro, the railway chairman, confirmed that it was under consideration by the East African Community and railway chiefs. It concludes that the centralised system is unworkable, and says separate state railway corporations would be more responsive to the needs of Kenya, Tanzania and Uganda.

It forecasts that the Kenya railway could return to profitability by 1980, Tanzania by 1983, and Uganda by 1990 if the recommendations are accepted. The report recommends a timetable for the changes, running from September this year to end of 1977.

The three state railways should continue to cooperate through a new railway association, it suggests.

No indication has yet been given whether the report will be accepted, as a full-scale review of the East African treaty of cooperation is already under way is not due to end until next year.

East African Railways was formed in 1948, when the Tanganyika railways were amalgamated with the Kenya and Uganda railways. The present railway corporation dates from December 1967 when the East African Community was formed.

Over the past two years serious difficulties have arisen between the three railway regions, and services between Kenya and Tanzania are at present halted. Steamers and train ferries on Lake Victoria are also laid up because of disagreements between the regions.

Kenya has accused Tanzania of retaining railway wagons and other rolling stock, and of refusing to allow it back into Kenya.

The Chinese built railway between Tanzania and Zambia is not part of the East African Railway Corporation, and operates on a metre gauge, instead of the three-feet gauge of the main East African system.

# Mercenary ban proposed

LUANDA, June 7.

ANGOLAN Justice Minister Diogenes Boayida to-day asked a commission of specially-invited international representatives to condemn mercenaries and to propose a world convention banning mercenary activities.

Dr. Boayida was addressing the opening session of the commission, whose meetings are occasioned by the trial here of 13 British, American and Irish mercenaries captured last February in the Angolan civil war.

Among those invited by the Angolan Government to serve on the commission are Mr. Nguyen Duc Thieng of Vietnam, university teachers from Sweden, Australia and Belgium, and representatives of African nationalist groups. Dr. Boayida said the commission should also condemn those who had sent the mercenaries.

Meanwhile, American lawyer Robert Cesner was to-day preparing his brief for the defence of two American mercenaries. He planned to have his first meeting with them later in the day. The trial, delayed in order to give Mr. Cesner more time for his preparations, is due to start on Thursday.

Reuter

# Hanoi denial on prisoners

PARIS, June 7.

THE NORTH Vietnamese Embassy denied yesterday that any living U.S. prisoners remain in Vietnam. The embassy referred to a meeting with three Americans on Friday from which the latter emerged saying they had been given the strong impression that Hanoi still holds some U.S. prisoners of war.

The embassy said in its denial that "all Americans captured in Vietnam were returned to U.S. custody."

It said the return of war dead could not be carried out unless and until the U.S. agreed to "contribute to the healing of the wounds of war and the reconstruction of Vietnam."

● Ninety-one South Vietnamese refugees, including two men and a woman were shot and seriously wounded as they fled their country, sought asylum to-day after landing in a fishing boat in southern Thailand, according to Bangkok police.

Agencies.



30th JUNE 1976 REDEMPTION

# PHILIPS INTERNATIONAL FINANCE S.A.

## U.S. $30,000,000 6½% Loan 1979

### REDEMPTION OF BONDS

Philips International Finance S.A. announces that for the redemption period ending on 30th June 1976 is has purchased and cancelled bonds of the above loan for U.S. $1,006,000 nominal capital and tendered them to the Trustee.

The nominal amount of bonds to be drawn for redemption at par on 30th June 1976 to satisfy the Company's current redemption obligation is accordingly U.S. $2,744,000 and the nominal amount of this loan remaining outstanding after 30th June 1976 will be U.S. $16,500,000.

### DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 21st May 1976 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 2,744 bonds for a total of U.S. $2,744,000 nominal capital were drawn for redemption at par on 30th June 1976.

The following are the numbers of the bonds drawn:—

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4 | 21 | 31 | [illegible] | 115 | 126 | 135 | 159 | 172 | 186 | 193 | 199 | 206 | 219 | 278 | 285 | 293 | 298 | [illegible] | [illegible] |
| 318 | 345 | 350 | [illegible] | [illegible] | [illegible] | [illegible] | 451 | 506 | 507 | 524 | 559 | 568 | 589 | 595 | 612 | 623 | 624 | 629 | 645 |
| 659 | 661 | 701 | 712 | 717 | 724 | 731 | 733 | 738 | 741 | 746 | 790 | 793 | 810 | 813 | 839 | 841 | 846 | 860 | 879 |
| 882 | 886 | 887 | 890 | 894 | 895 | [illegible] | 932 | 946 | 953 | 959 | 994 | 1015 | 1016 | 1047 | 1062 | 1087 | 1094 | 1134 | 1148 |
| 1170 | 1208 | 1209 | 1212 | 1214 | 1224 | 1238 | 1278 | 1280 | 1285 | 1292 | 1298 | 1303 | 1309 | 1322 | 1323 | 1337 | 1341 | 1399 | 1405 |
| 1413 | 1424 | 1447 | 1449 | 1451 | 1460 | 1468 | 1489 | 1493 | 1504 | 1508 | 1515 | 1518 | 1535 | 1544 | 1546 | 1549 | 1563 | 1570 | 1571 |
| 1582 | 1620 | 1623 | 1626 | 1630 | 1644 | 1645 | 1658 | 1667 | 1675 | 1680 | 1690 | 1723 | 1724 | 1725 | 1744 | 1761 | 1763 | 1776 | 1777 |
| 1802 | 1803 | 1810 | 1817 | 1828 | [illegible] | [illegible] | 1871 | 1876 | 1880 | 1893 | 1894 | 1895 | 1899 | 1922 | 1923 | 1925 | 1928 | 1933 | 1945 |
| 1951 | 1971 | 1977 | [illegible] | 2012 | 2015 | 2022 | 2032 | 2039 | 2051 | 2053 | 2056 | 2058 | 2059 | 2063 | 2068 | 2071 | 2087 | 2090 | 2091 |
| 2097 | 2105 | 2121 | 2124 | 2126 | 2128 | [illegible] | 2137 | 2144 | 2145 | 2159 | 2160 | 2162 | 2178 | 2180 | 2182 | 2185 | 2216 | 2225 | 2231 |
| 29626 | 29641 | 29645 | 29650 | [illegible] | 29662 | [illegible] | [illegible] | 29685 | 29699 | 29705 | 29711 | 29719 | 29736 | 29737 | 29745 | 29750 | 29751 | 29763 | 29777 |
| 29778 | 29788 | 29793 | 29800 | 29801 | 29802 | 29804 | 29810 | 29813 | 29823 | 29835 | 29838 | 29841 | 29847 | 29863 | 29872 | 29880 | 29883 | 29894 | 29954 |
| 29966 | 29972 | 29973 | 29979 | | | | | | | | | | | | | | | | |

*Witness:* K. F. C. Baker, Notary Public.

The above bonds may be presented for payment of the proceeds of redemption at par on or after 30th June 1976 at the offices of the paying agents named on the coupons in the manner specified in Condition 5 of the Terms and Conditions of the Loan printed on the reverse of the bonds. Each of these bonds when presented for redemption must bear the coupon dated 30th June 1977, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid.

**Principal Paying Agent: N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.**

*8th June 1976*

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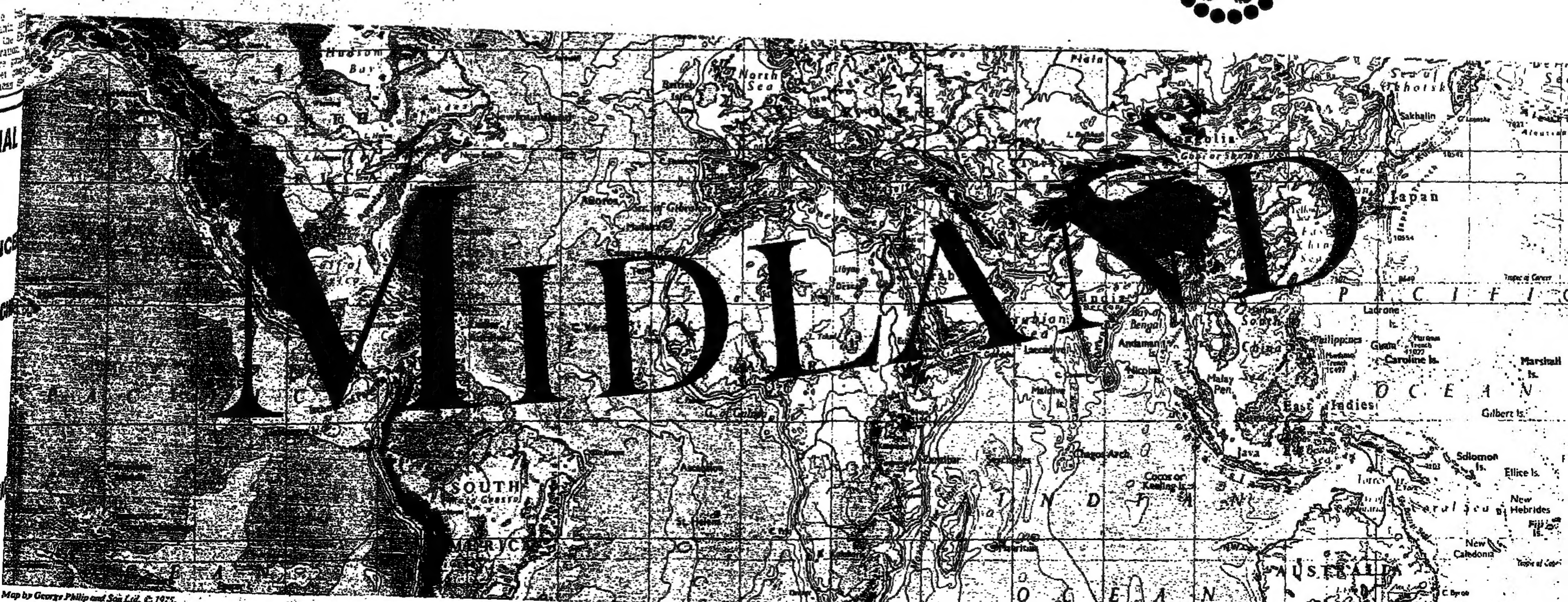

Map by George Philip and Son Ltd. © 1975.

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HOME NEWS

# Life Offices row delays commission scale

By Eric Short

A ROW over the maximum amount of initial commission to be paid on life policies has led to the Life Offices Association and the Associated Scottish Life Offices postponing for three months the new commission scale due to start on July 1. A statement issued yesterday said the postponement was to allow full consideration of a special problem on long-term policies.

The new scale changes the basis of paying initial commission from a sum-assured to a premium-related basis and imposes a maximum level of 60 per cent. of the first-year premium for the longer-term contracts.

It is known that certain companies, including Friends' Provident Life and Sun Life Assurance, have been unhappy with the maximum limit, which they consider too low.

Some life companies outside the professional bodies, notably Equity and Law Life Assurance Society, have said they will pay initial commissions on the longer-term contracts well above the new LOA maximum. Equity and Law's upper limit is to be 125 per cent. of the premium. Many Provincial insurance brokers have voiced objections to the scale as too low for the longer-term policies.

# Power Council rejects 'charter for scroungers'

BY ROY HODSON

THE ELECTRICITY Council in unusually strong terms last night rejected the National Consumer Council's rpeort, Paying for Fuel. The report recommends abolition of the power to disconnect electricity supplies of bad payers. "A charter for scroungers" . . . "a report at best amateurish: at worst biased" are just two of the Electricity Council's comments.

An all-party Commons Select Committee recently supported the campaign for the right of disconnection to be withdrawn from both the gas and the electricity industries. Last week the National Consumer Council followed up with an interim report which has kept the topic alive.

## Pressure groups

Both the British Gas Corporation and the Electricity Council are strongly against having the power withdrawn. The gas industry estimates the result could be an extra 10 per cent. loading upon every consumer's bill.

The Electricity Council claims that pensioners and more than 500.000 house tenants would be hurt rather than helped if disconnections were now allowed. The price of electricity would "increase substantially."

The council says that the Consumer Council report is a reiteration of campaign points put forward by various pressure groups over the past year. As far as some aspects of the report are concerned, it claims, no evidence has been sought from the industry. On other aspects the industry has given evidence but it has been ignored.

"On the most prudent estimates abolition of the power to disconnect would do nothing to help genuine hardship cases and would add at least 5 per cent. to electricity bills . . . and might even provide for increases of up to 10 per cent."

Its administrators are appalled at the increases in borrowing to meet working capital that will be necessary if removal of the threat of disconnection encouraged many more electricity users to practice "brinkmanship" by leaving the paying of their bills to the last possible moment.

They take the view that the courts, as at present constituted, do not offer a satisfactory system for recovering electricity users' debts and that the area Boards will have to go to much extra expense to recover bad debts themselves.

# SNP sets terms on shipyards legislation

By Our Scottish Correspondent

THE SCOTTISH Nationalists yesterday revealed their price for supporting the Government's embattled shipbuilding and aerospace nationalisation Bill.

Mrs. Margo MacDonald, SNP senior vice-chairman, told a Press conference in Glasgow that the party's 11 MPs would "seriously consider" voting for the Bill if the Government used its breathing space to introduce measures setting up a Scottish division of British Shipbuilders.

Such a division, controlling the five Scottish yards facing nationalisation, should have adequate funds for investment to make the division viable and internationally competitive.

The Nationalists voted against the Bill last month and faced heavy criticism from shop stewards in Scotland. Mrs. MacDonald added that the Government's claim that the future of thousands of Scottish jobs rested on the fate of the Bill was merely a piece of "London kidology." An independent Scottish Government was the only long-term hope for Scottish shipbuilding.

"We do not believe there will be sufficient investment to ensure a coherent strategy of investment and continuity of employment in Scottish yards under the present Bill," Mrs. MacDonald added.

However Mrs. MacDonald could not specify what investment the SNP would regard as "adequate." The party did not have any statistics available and the Government had failed to provide them.

An ideal solution to the problems of shipbuilding was the takeover of the Scottish yards by a larger Scottish Development Agency with increased funding.

Mrs. MacDonald cited the lengthy and costly Government support of shipbuilding on the Upper Clyde—first with UCS and now Govan Shipbuilders—as evidence that the Government already had sufficient powers to safeguard endangered firms and industries under the Industries Act, National Enterprise Board and SDA.

SHIPBUILDING BILL'S OPPONENT HAS SPENT £100,000

# 'Bailey will fight to the end'

BY ARTHUR SMITH

RESPONSIBILITY for delay of the Government's controversial Shipbuilding and Aircraft Industries Bill must rest in no small measure with Mr. Chris Bailey, the public relations-conscious chairman of Bristol Channel Ship Repairers.

This self-made champion of free enterprise declared at a Press conference, in London, yesterday, that he was prepared to "fight to the end" to kill the nationalisation Bill.

Dubbed by the popular Press as "the blackbeard" out to scupper plans to take his industry into public ownership, Mr. Bailey has set a swashbuckling style. More than £100.000 has been spent in newspaper advertisements and publicity to argue the case against nationalisation of shiprepairing.

The grandson of C. H. Bailey, who established the South Wales ship repair yard in 1885, Mr. Bailey entered the company as an apprentice at the age of 16. Now in his early forties, he is chairman of a company with a turnover of more than £10m. a year whose interests stretch from ship repair yards in Cardiff, Newport, Barry and Port Talbot, to haulage and plant hire, and a hotel in Da-es-Salaam.

## Not too coy

Pre-tax profit in the year to April 4, 1975, dipped from £1.16m. to £800.000, but not one penny has had to be accepted in the form of Government help, he says with pride.

All the cash for the anti-nationalisation campaign has come from within the company, but Mr. Bailey—who boasts that his credentials are those of a businessman—is not too coy to mention that the publicity has been good for business. "We have become known and obtained work as a result," he says.

He claims to have been the man to realise the full implications of the possibility that the nationalisation Bill could be regarded as "hybrid." After the issue had been raisced at a meeting of the Standing Committee considering the Bill, on May 11, he took further advice and alerted the Opposition.

But he does not seek to take credit from Mr. Robin Maxwell-Hyslop, the Conservative backbencher, who "brilliantly executed the point of order."

## Antithesis

The moral which Mr. Bailey draws from the experience is that the country is being "run by stubbornness and ideology rather than common sense."

He argues that ship repair is not amenable to large units or State ownership. "Our type of shiprepairing cannot be planned—forward orders are numbered in days or weeks, not months or years—every job is different."

Moreover, shipowners demanded "a personal service requiring immediate local decisions" which was the very antithesis of advanced planning and large scale operation.

To support his argument that private enterprise is more efficient than public ownership, Mr. Bailey cites the case of Greenwell's, of Sunderland, which he maintains was the first repair yard to be nationalised and after only 18 months was closed down on March 31, with the loss of 400 jobs.

"This is what will happen to every small ship repair yard when taken over. The closure of this yard was unnecessary." The decision had been based on a financial report accepted by the Government without analysis, he claimed.

Mr. Bailey says that Bristol Channel Ship Repairers had first expressed an interest in taking over the yard in January of this year, but had been unable to get a meeting with Mr. Eric Varley, the Industry Secretary, to discuss the issue.

"They talk about industrial democracy, but they just don't know where it begins," is how Mr. Bailey dismisses the efforts of the Government.

## No disputes

Not only could his company have restored Greenwell's to commercial viability, but it also provided an example of worker participation. And to prove the point, Mr. Bailey had trade unionists lined up alongside him at yesterday's Press conference.

Real involvement by employees meant that decisions and results, good or bad, should be openly discussed by employee representatives on a weekly basis and backed by a daily programme of education in company accounts, sales and esti[...]ing.

Mr. Bailey boasts that work[...] have full financial disclos[...] and an elected director [...] every 50 employees. About [...] per cent. of workers were sh[...] holders and no production [...] been lost through industrial [...]putes in eight years.

But the bustling Mr. Baile[...] most scathing in his comm[...] about nationalisation.

He describes as "double-ta[...] the Government's tactics to [...] public ownership through [...]liament. On the one hand [...] Michael Foot, Leader of [...] Commons, was saying that d[...] to the Bill would cause a los[...] jobs, while Mr. James Callag[...] the Prime Minister, was sa[...] that redundancies were in[...]able.

He glosses over the point th[...] rundown in jobs for the troub[...] U.K. shipbuilding industry i[...]evitable and that the basis of [...] Government's argument is [...] increased uncertainty will [...] add to the number of re[...]dancies.

Mr. Bailey's solution to [...] problem is to allow the profit[...] companies to stay in pri[...] ownership and for the Gov[...]ment to assist only the compa[...] which request aid.

He says: "I am not a [...] builder." His business is re[...] and the thrust of his camp[...] is that the 400 employees [...] Bristol Channel Ship Repai[...] will enjoy a more secure fu[...] under private enterprise.

# Nuclear deal safeguard agreed

BY MALCOLM RUTHERFORD

THE CLUB of nuclear-exporting countries has reached agreement on a list of nuclear materials and equipment which member-States will not export to third parties without safeguards.

The list is now likely to be submitted to a committee of the International Atomic Energy Agency in Vienna and will eventually be made public.

The club also discussed at its meeting in London last week the possibility of publicising the full extent of its work so far. It was decided however that at least one more secret meeting will be held before the end of this year in an effort to reach further agreements and in the hope of extending the membership.

The latest countries to join are Poland and Czechoslovakia taking the total number to fourteen. Neither of the new members attended last week's meeting, however.

It is understood that some rather more controversial countries are being canvassed and that at least one of them might be ready to take part in the next session.

The controversial countries are those such as Brazil, Argentina, South Africa, Israel, India and Pakistan which have not signed the non-proliferation treaty, but which could develop their own nuclear capability.

The hope is that West Germany, for example, might be in a special position to influence Brazil because of its comprehensive nuclear agreement with that country. The French might be in a similar position *vis-à-vis* the South Africans as a result of the agreement signed last month between the two.

The original members of the club were the U.S., the Soviet Union, France, West Gemany, the U.K., Japan and Canada.

The main development at last week's meeting was the agreement on the list of nuclear materials and equipment.

In the crucible, Page 28

# Shetland study says oil storage methods environmentally equal

BY RAY DAFTER, ENERGY CORRESPONDENT

A REPORT on the major oil terminal at Sullom Voe in the Shetland Islands maintains there is nothing to choose between cavern and tank storage on environmental grounds

Controversy over whether oil should be stored in tanks or underground has threatened the whole development of the terminal. It is thought however, that progress towards a compromise agreement will be made on Thursday at a meeting of the Sullom Voe Association.

This group, which comprises representatives of the Shetland Islands Council and the oil industry, is likely to consider a plan whereby oil is stored in tanks as the companies wish, but the treatment facilities are reduced from two terminals to one.

Significantly, the association has already announced the possible opening date for Sullom Voe. Oil is due to arrive through BP's Ninian pipeline in spring 1978, and crude should start flowing through Shell/Esso's Brent pipeline in August of the same year.

By 1980, the terminal, which is costing between £400m. and £500m., should be handling about 40m. tons of oil a year—equivalent to about half Britain's current consumption.

The study covers the amount of rock and peat that will be disturbed, the emissions of hydrocarbons, the visual impact, water seepage, oil leakage, vulnerability to sabotage and health and safety aspects.

The study is a new approach to conservation in a major development. It has been prepared by the Sullom Voe Environmental Advisory Group (SVEAG) which includes the Council, BP as constructors of the terminal, the Countryside Commission for Scotland and the Nature Conservancy.

● McAlpine Sea Tank has successfully positioned the 180,000-ton gas treatment platform on the Anglo-Norwegian offshore Frigg Field.

# World gas industries 'have brig[...] future'

Financial Times Reporter

"THE FUTURE is bright [...] the gas industries of the wo[...]" said Mr. Leslie Clark, presi[...] of the International Gas U[...] opening the 13th world gas [...]ference at the Royal Fes[...] Hall, London, yesterday. "[...] transmission systems which [...] been laid provide a la[...] investment. Even after w[...] reserves of natural gas are [...] longer available these t[...]mission pipelines will pro[...] an efficient and low-cost sy[...] of moving energy. In Bri[...] some 2,500 pipemiles have b[...] laid at about one-third of [...] cost necessary to carry equivalent energy in the f[...] of electricity.

"Development work is alre[...] at an advanced stage on meth[...] of producing substitute nat[...] gas from coal and oil. Nuc[...] heat is likely to be harnesse[...] the future to produce pipe[...] gas. Mass vegetation—seaw[...] or tropical land vegetatio[...] may be harvested to provide feed stock for gas productio[...]"

The conference was offici[...] opened by the Duchess [...] Gloucester who welcomed m[...] than 2,000 delegates to Lond[...]

More Home News

Page 12

# Consumer credit appeals limit set at 28 days

BY ELINOR GOODMAN

A 28-DAY appeal period will be allowed to companies or individuals refused licences under the Consumer Credit Act, it was announced yesterday.

It will begin on the day notice of the Director General of Fair Trading's determination is received and will not be extended in any circumstance.

The Director General will comment on the grounds of appeal and the appellant may make counter-comments. At least 21 days' notice must be given of a hearing, which will normally be oral.

The appeal will be heard by appointees of the Secretary of State for Prices and Consumer Protection, who will report to the Minister. The Minister will then advise the Director General on what action he should take.

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## HOME NEWS

# Building industries 'will meet demands'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

A REPORT published yesterday claims that the U.K. construction industries should be fully capable of meeting the highest demands likely to be experienced in the early 1980s.

But it says that productivity would need to increase at about the same rate as in the past decade and adequate warning must be given to enable material producers to instal sufficient additional capacity.

The Building and Civil Engineering Economic Development Committees recommend in Construction into the Early 1980s, that they and the Government should meet regularly to review the medium-term outlook for the balance of demand and supply within the building industry, in both public and private sectors.

### Impossible

Within the framework set by the review the report adds, stable and rolling public sector programmes should be implemented and more information made available on future programmes.

While recognising that there are limitations to what can be done by Government and clients in the shape of better programming and forward planning, it urges concerted action to establish a more predictable and stable pattern of construction demand.

Sir Hugh Wilson, chairman of the EDC's industry strategy committee commenting on the report, said that it showed clearly why it was impossible to have a healthy economy without efficient construction industries.

"Apart from providing the factories, roads ports and reservoirs essential to the national industrial strategy, the industries themselves produce about 15 per cent. of the nation's income and employ over 2.5m people. Economic recovery depends on making better use of these resources."

Other recommendations include a voluntary system of notification of forthcoming private and public, large-scale projects which could be instituted by regional offices of the Department of the Environment in areas where information is difficult to obtain.

The report also says that there is a wide area in which the industries can help themselves, by improvements in the quality of investment and training, increased flexibility and mobility and "a more dynamic approach to marketing."

It illustrates, for the first time, the detailed effects of different levels and patterns of demand on the main manpower and materials used in construction.

As a result of the analyses, the authors say it is possible to see why shortages and overheating have developed from time to time in certain sectors of construction and why measures to reduce overheating have often led to excessive underutilisation and wastage of resources.

An appeal to Government and local authorities to help regulate demand in the Scottish construction industry is made in the review of prospects to the early 1980s by the same committees, but in separate report, writes Ray Perman.

The industry in Scotland has suffered more from fluctuations in demand than in the rest of the U.K., particularly since 1967. The effects, according to the report, have included unnecessary waste and inefficiency and a net loss to the industry of skilled men and managers. At every downturn many leave for more secure jobs, never to return.

### To fill gaps

To try to stabilise demand the report calls for more use of the "moving shelf" principle. Public sector projects could be planned and designed in advance of requirements and then placed on "the shelf" for a period so that the release of orders can be timed to avoid unemployment or overheating in the building industry.

Less urgent works, such as housing improvement and maintenance schemes, could also be used to fill gaps when general demand was low. The average annual spending in Scotland of about £10m. could be stepped up to £30m. when the industry was in recession, or trimmed back to very low levels during a boom.

*Construction into the early 1980s, Scottish Construction into the earl n1980 Building and Civil Engineering EDC's £2 each. Millbank Tower London SW1P 4QX.*

# Managers seek radical changes to Post Office

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

**IN ONE of the most radical submissions yet made to the Post Office Review Committee, an influential group of telephone users has recommended the removal of the P.O.'s monopoly on the supply and maintenance of private telephone equipment.**

**Adoption of the proposal would create a virtual free market in telephone instruments of various sorts, as well as in private telephone exchanges (PABXs).**

**The recommendations have been made by the Telecommunications Managers Division of the Institute of Administrative Management, representing 300 of Britain's largest business telephone users.**

### Information

**In addition to claiming that the Post Office had failed to control its costs, TMD recommends that Posts and Telecommunications should be separated. The Telecommunications administration should then relate the price for individual services to their cost, as far as possible.**

**Behind this point lies concern that the business community is subsidising the cost of services to the residential subscriber. TMD also recommends that Post Office accounts should contain more information on the apportionment of costs between business and residence.**

**When relationships between the tariffs for different services had been rationalised, they should be maintained until a change in cost justified a change in price.**

**TMD prefers a virtual free market, along the lines of the "interconnect" marke in the United States. It also recommends that the Post Office should no longer have a monopoly of moving telephone apparatus within subscribers' buildings, a common cause for complaint on the grounds of cost and delays.**

## CAPITAL FOR INDUSTRY

# Scots insurance companie[s] not to invest in equity ban[k]

BY MICHAEL LAFFERTY AND ERIC SHORT

AT LEAST seven of Scotland's leading life assurance companies—Scottish Amicable, Scottish Equitable, Scottish Life, Scottish Mutual, Scottish Provident, Standard Life and the Life Association of Scotland—will not be investing any money in the City's equity bank, Equity Capital for Industry.

Most Scottish insurance companies are still strongly opposed to ECI in principle, although there is now little doubt that sufficient capital will be raised to get the project off the ground by the time the subscription lists close on June 21.

The total capital requirement has been split up: £17m. each is being sought from the insurance companies and pension funds, with £8m. from the investment trusts and £4m. each from unit trusts and Finance for Industry, the big bank's medium-term loan institution.

The only company which has yet to make a decision is Scottish Widows' Fund and Life Assurance Society. Its Board meets to-day but the chairman's report casts doubts on the possibility of it taking up any shares.

### Opposition

In contrast, the English insurance companies are supporting the ECI, at least to the extent of taking up their allocation. The leading composite companies are strongly supporting the venture, as are most life companies.

The main opposition comes from two life companies—Sun Life and Equity Law—and the Co-operative Insurance Society.

The general theme of the supporters is that while they are by no means convinced that the present sources of finance are inadequate and that there is the alleged investment gap, it is difficult to establish anything until ECI has been tested in practice.

Most supporters had expressed severe reservations over the original proposals for a £500m. equity investment bank, but they are now satisfied with the present proposals, methods of operation and use of the funds.

They accept that it is a City venture designed to meet a financing problem and should therefore be backed by City institutions.

Insurance companies are still reluctant to disclose their actual contribution to ECI, but this sector's total allocation (£17m.) is divided between companies in proportion to their 1974 returns. Some life companies said it amounted to less than 0.1 per cent. of their funds.

The opposition from the English companies, while small in number, is quite vocal. The chairmen of the three companies, Sun Life, Equity and Law, and CIS, voiced their opposition in their annual statements. They have not changed their stance.

CIS, in line with the Scottish companies, emphasises the trustee responsibility in investment. It sees its first duty as being to policy-holders, not British industry.

These companies lay the blame for the lack of investment on industrial company managers. They feel that industry should get the profits right and investment will flow automatically.

Conversely the ECI view is invest first and profits will follow.

A quick check with the investment managers of some lea[ding] pension funds revealed gen[eral] acceptance of ECI. The [Post] Office and Central Electri[city] Generating Board pension fu[nds] are supporting the project, the latter expected to in[vest] £1½m.

The British Steel Corpora[tion] pension fund will be inves[ting] £500,000, while those of BP [and] Unilever are likely to put about £400,000 each. The trustees of the Esso pen[sion] fund are thought to be divi[ded] but on balance it may take some of its allocation.

### Reluctance

Mr. Max Lander, chairman [of] the National Association [of] Pension Funds, has suggested [in] a letter to managers that [they] should consider investing [...] per cent. of their funds in [...]

Investment trusts seem [to be] reluctantly accepting the e[quity] bank; but Scottish trusts [have] been reluctant to reveal [their] final decisions. Foreign [and] Colonial will be putting £300,000, John Govett £250[,000] and Henderson Administra[tion] £150,000.

Unit trusts are generally [in] favour of ECI. Save and Pro[sper] is investing £1m., while Ta[rget,] Hill Samuel and the Hende[rson] unit trusts are also expected [to] take up their full allocation. [The] most notable opponent of [the] scheme in this sector is M[...] one of Britain's largest [unit] trusts, which had a £600[,000] quota.

Some unit trusts said [they] were "playing ball" lest a worse fate in the form of di[rect] Government intervention sh[ould] befall the City.

# Electronic instruments capital return only 8%

BY CHRISTOPHER LORENZ

THE AVERAGE return on capital employed by 60 leading U.K. electronic instrument manufacturers is only 8 per cent., says a report just published.

The industry showed little real growth over the review period, the three years ending in April 1975, according to ICC Business Ratios. The 40 per cent. increase in the value of sales would have been largely due to higher prices.

"If any industry is a 'key' industry in terms of future development," this one is, says the report, and asks: "What kind of a reward does a return of 8 per cent. provide?" It suggests that this cannot cover past investment, as well as be an incentive for present investment and future development.

There are wide differences between individual companies' profitability: 16 show a return of more than 20 per cent., but the same number show one of less than 2 per cent.

*Electronic Instrument Manufacturers:* ICC Business Ratios, 81 City Road, London EC1; £34.

# Builders throw away enough to put up 10% more homes

BY DAVID FISHLOCK, SCIENCE EDITOR

MATERIALS WORTH £300m.—enough to build 10 per cent. more homes—are scrapped every year on building sites in Britain, according to the annual report of the Building Research Station.

Another of its studies has indicated that the "consistently confused pattern of work which usually develops" is the main reason why it takes so long to build houses.

The research station near Watford, has found that the level of waste varies widely from site to site but for walling materials described as fairly typical, it is between 2 and 20 per cent., with an average of 10 per cent.

Its report points out that this is twice the wastage normally allowed for in estimating.

The laboratory has developed and site-tested a system for checking waste, which it recommends applying at the monthly evaluation, when stocks of materials on site have to be assessed for payment.

The system calls for three pieces of information, all of which are said to be available at most sites. One is simply a statement of quantities of materials received on site.

The second is a realistic measure of material built into the work, where it says that the measures for bonusing or labour-only payments meet the requirement better than measures derived from bills of quantity.

### High cost

The third factor is a measure of the stock of materials still held on site which "can be prepared by the contractor's quantity surveyor in a little more detail than that usually required for the interim valuation and used for both calculating the waste occurring and the valuation."

The laboratory has embarked on a full examination of the high cost of scrap in the industry generally, in the hope of isolating the reasons why some sites manage to achieve very low levels of wastage.

About 1,200 man-hours are needed to build the average dwelling in the local authority sector says the report. But they are spread over about 30 weeks, with the installation of service and finishes—although accounting for only one-third of the man-hours—taking as long as the last 30 weeks.

Estimated gross expenditure by the Building Research Station amounts to £8.5m. for the year 1975-76, and is expected to reach £9m.-£9.5m. this year.

*Annual Report of the Building Research Station 1975. S.O. £2.05*

# Index-Linked savers can cash first certificates

BY CHRISTOPHER HILL

NOW THAT the National Savings Index-Linked Retirement Certificates have been on sale for more than a year it is possible for the first batch of pensioners to cash them with the benefit of index-linking—an increase of 18.9 per cent. net gauged by the Retail Prices Index.

According to the Department of National Savings, there has been no significant increase in the number of applications for repayment. In the last few weeks there have been more inquiries from people considering what to do.

The most usual misconception is to think that after a year the index-linking applies only to the original investment of up to £500. But index-linking applies to the whole amount plus the index-linked benefit and there is no need to cash the bonds unless the pensioner needs the money.

The Department also points out that it is possible to opt for partial repayment of multiple certificates.

Since the certificates were launched on June 2 last year, the total intake, up to May 22 this year, has beed £270.8m.

Compared with the £88.6m. attracted in the first month the monthly average is about £10m.-£12m.

The idea of an index-linked SAVE is certainly looked upon as a success by the Department for up to May 20 this year 348,074 contracts had been sold, a total monthly commitment by savers of £4,889,638. This makes an average monthly commitment per saver of £14.05.

# Some steel prices may go up

By Adrian Hamilton

BRITISH STEEL is considering a further round of selective price increases of up to 20 per cent. next month.

Rumours in the industry yesterday suggested that the corporation was preparing for the increases in line with its recent policy of moving prices rapidly as soon as market circumstances permit.

A 15 per cent. increase was imposed on strip mill and some ... ning of this month.

It seems unlikely that the next rise will hit these products again: it apepars more likely to go on products such as special steels, stainles and tinplate.

### Rebates

The increae would fit into a pattern in which British Steel almost month by month has been adjusting its prices and rebates as the recovery has become clearer in the various market sectors and as foreign competitive prices have gone up with the falling pound. The pattern started at the turn of the year, with a cut in rebates. Then came 10 per cent. increases in a wide variety of products in April and June.

The market expects the Corporation to raise its average level of prices during the year by 30 to 40 per cent.

# Chemical investmen[t] attacked by unions

BY RHYS DAVID

CONTROLS ON overseas investment by ICI and BP, the two U.K.-owned chemical companies, and diversification by the British National Oil Corporation into chemicals and plastics production, are called for to-day by the union-sponsored Labour Research Department.

The department says that the only big ethylene scheme under way in the U.K.—the joint BP-ICI cracker on Teesside—will increase U.K. capacity by about 500,000 tons.

In France, however, 905,000 tons of ethylene capacity is being built and in West Germany 1.8m. tons. Furthermore, in both France and Germany, U.K. companies will be playing a substantial role in new developments.

Britain is accounting for a declining share of European plastics production too, and had a foreign trade deficit of 590,[000] tons in 1973, says Lab[our] Research.

The department says: "[The] published plans of the compa[nies] manufacturing base chemi[cals] and plastics make it clear [that] substantial investment is go[ing] ahead overseas at the expense [of] new capital spending in the U.[K.]"

Under the Petroleum and S[ub]marine Pipelines Act, BN[OC] could move into chemical ma[nu]facturing. "It is clear that c[on]trol of investment decisions [in] this field must be taken fr[om] the handful of companies wh[o] make them at present.

"Without that, the Bri[tish] share of ethylene, propylene [and] plastics capacity will continue [to] decline and the opportuni[ty] which the exploitation of No[rth] Sea oil offers the U.K. chemi[cal] industry will not be taken."

# Banking White Paper

A WHITE PAPER on banking is in an advanced stage of preparation Mr. Stanley Clinton Davis, Under-Secretary for Trade, told the Commons yesterday.

He made the disclosure when resisting further demands from Labour Left-wingers for Government action to bring banking and insurance into public ownership.

Mr. Davis recalled the recent statements made in the House by Mr. Harold Lever Chancellor of the Duchy of Lancaster, and Mr. Anthony Wedgwood Benn, Secretary of State for Energy, which he said made it clear that the Government had no plans to nationalise either banking or insurance.

Supervision of insurance companies was being progressively strengthened under the Insurance Companies Act, 1974.

# Ulster coalition talks may preserve unity

BY OUR BELFAST CORRESPONDENT

THE FUTURE of the Unionist coalition in Ulster, threatened by the disclosure that one of its parties has been engaged in secret talks with local Roman Catholic politicians, was still undecided last night after a crisis meeting developed into a stand-off by both sides.

The meeting was apparently not as heated as the public anger of the political leaders had indicated.

Mr. Harry West's Official Unionist Party, which has been involved in the meetings with the Social Democratic and Labour Party, had willingly accepted a postponement of the crucial decision about the coalition's continued existence, reports suggested.

The Unionists went into the meeting determined that the attempts to reach a political settlement with SDLP should continue in spite of the opposition of the Rev. Ian Paisley's Democratic Unionists and the smaller United Unionist Movement led by Mr. Ernest Baird.

Although the two sides seem irreconcilably split on the issue the past ability of the coalition to plaster over the cracks points to another attempt by all the parties to keep their fragile unity intact.

Mr. Paisley, whose party leaked the news about the Unionist-SDLP talks and then publicly condemned them, left the meeting early for a previous engagement. Coalition sources said that no dramatic statement was expected from the meeting.

Mr. Paisley said yesterday that he had asked Mr. West to be allowed to make public the facts as he knew them. Mr. West, however, refused and Mr. Paisley said later that he would keep them confidential.

# Company pound dealings normal, says Liberal

BY PETER HENNESSY, LOBBY CORRESPONDENT

MOST of the speculators in sterling during its recent decline were "respectable British companies." Mr. John Pardoe, Liberal spokesman on economics, said last night.

For reasons of business prudence, British firms had been buying foreign currency and selling sterling as part of their normal transactions, said Mr. Pardoe.

"The result can be seen in the latest British Leyland accounts, where almost the whole of the profit was due entirely to necessary operations in the currency market."

The low level of investment in manufacturing industry in the 1950s and early 1960s was due to an overvalued currency. If the £ was now undervalued, it was the best news British exporters had had for many years.

"The last thing any government should try to do is to make it overvalued again. . . . At the moment the £ is a little, but not much, below the level it ought to be if Britain is to get the best out of it."

# World Airways strike ends

OAKLAND, Calif., June 7.

A NINE-DAY strike by World Airways' cockpit crews, flight attendants and mechanics has been settled.

The airline said it reached agreement with the Teamsters local on a new contract extending to June 30, 1978. The strikers ratified the agreement late on Friday the company said. No details were disclosed. AP-DJ.

# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

## Less stress for radio monitors

MONITORING RADIO transmissions for security and news media purposes is an exacting job that imposes a great deal of nervous wear and tear on operators. For this reason, during the past four years, Redifon, with Government support has been developing a unit called CERES in which the enormous capacity of compact computers to "remember" a mass of detail is harnessed to help in capturing important transmissions.

Unveiled this morning at Communications 76 in Brighton, the listening console provides receiving, transcribing and audio recording facilities, employing the computer to do complex repetitive functions fast and reducing operator fatigue.

Typically with monitoring facilities for a team of six operators, CERES gives each a console for remote manual and computer control of four receivers and associated equipment, including antenna selection units and two four-channel special purpose tape recorders. Incorporated in the console is a visual tuning aid for each receiver, and audio selection and control circuits for each receiver and tape recorder. The receivers, aerial switching, receiver memories, minicomputer, tape recorders, time-code generator and disc store, are located as remote equipment in an optimised environment.

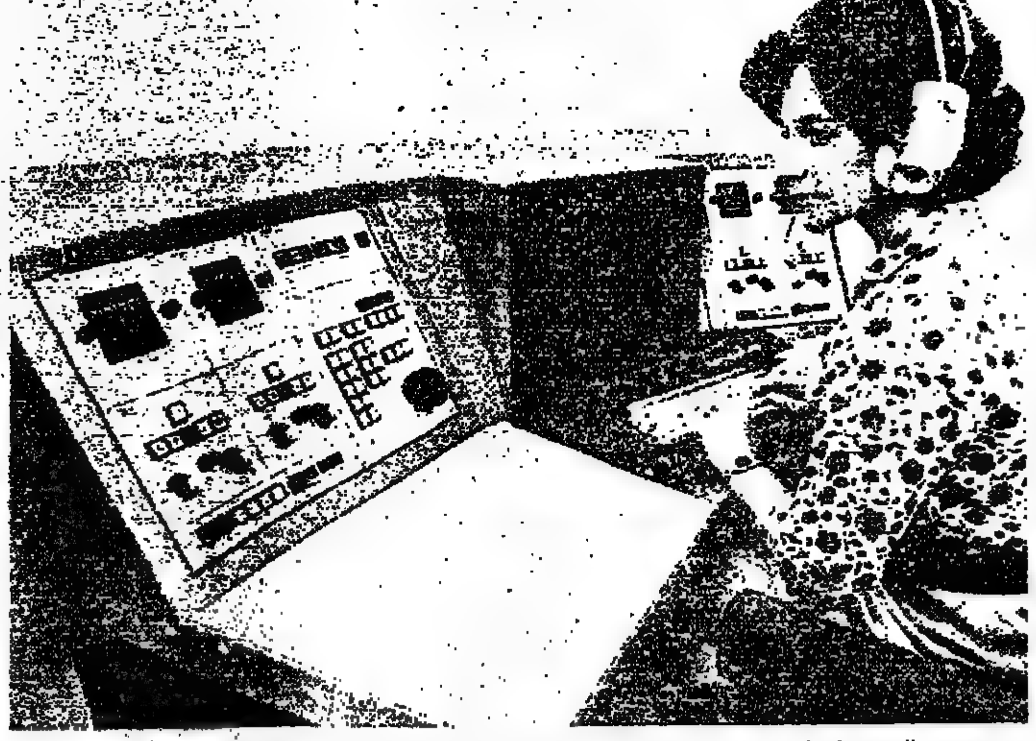
Automatic control status of the remote equipment by the computer is shown by means of a visual display unit, also used for the transcription of received information. Hard copy is provided by an associated needle printer.

The range of operational tasks that may be carried out by the CERES system is very wide and includes monitoring of a precise frequency—either continuously or at specified times, monitoring of several fixed frequencies, narrowband or wideband search, and other functions. Each operator can control four different tasks simultaneously, transcribing one transmission in real time and, if necessary, recording other transmissions for subsequent replay and transcription.

Applications for this system are wide and include monitoring and alarm indication on distress frequencies, integrated defence communications systems, cryptography, channel utilisation, point-to-point communications networks and surveillance systems.

The equipment has already been described to inward purchasing missions.

Redifon Telecommunications, Broomhill Road, Wandsworth, London SW18 4JQ (01-874 7281).



An operator instructing Redifon's CERES monitoring unit to search for radio transmissions within certain wavebands.

● INSTRUMENTS

## Inherently safe gas analyser

GAS ANALYSER, Model 91PCT pneumatic composition transmitter, has been introduced by Foxboro which calls it revolutionary. As the first all-pneumatic analyser, it is inherently safe in hazardous environments without the need for special enclosures.

Utilising pneumatic components from the Foxboro PC100 line, with well established chromatographic techniques, the 91PCT is highly reliable and easily maintained.

PCT samples and measures the concentration of one or two gaseous components in a process stream. The measured concentrations are transmitted as a pneumatic trend signal which is updated with each sample.

Chromatography achieves the separation of the components in the sample. Density changes serve to detect and measure the concentration of each component of interest.

Density is determined by measuring the differential pressure across a jewelled orifice, using a capillary to compensate for flow variations.

The analyser's functions are controlled in sequence by a pneumatic ramp generator whose output pressure signal represents time. A unique feature updates the timing of the programme automatically each cycle.

Foxboro Yoxall at Redhill 65000.

● ENCLOSURES

## Tensile and compressive tester

A BENCH-TOP testing machine with a 2250 lb load capacity and a displacement range of 3 inch for tensile or compressive testing of a range of materials is available from Welwyn Strain Measurement, Armstrong Road, Basingstoke, Hants, RG24 0QA (0256 62131).

For maximum testing flexibility the V.R.E. BT-1000 has both load and stroke control, as well as rate control. Load, measured by a strain gauge load cell, and stroke are shown on two meters scaled in imperial and SI units. Push button internal calibration is provided.

Permanent records of loads and deflections can be made on auxiliary recording devices, such as X-Y recorders, using the amplified outputs.

● ELECTRONICS

## Probe shows logic at a glance

PUT on the market by Zone Electronics is a small self-contained probe measuring about ½ inch diameter by 7 inches which will not only indicate the normal logic states in a circuit but will also indicate the presence of fast noise spikes or "glitches" as they have become known.

The probe has precision voltage comparators which activate one of three LED lamps. Red indicates that the node is in a logic one state, green a logic nought; in the case of an incorrect level between the two, neither lamp lights. Switched to "pulse" mode, the probe's yellow lamp comes on for 200 milliseconds whenever a transition is sensed. Normal pulse trains are ignored in this mode, the probe responding only to signals faster than those normally found.

Probe tip is of hardened and ground steel with nickel plating and the device needs only a nominal 5V supply for operation. It is intended as a servicing aid for both the design and field engineer. More from 60, King's Walk, Gloucester, GL1 1LA.

● PRINTING

## Ink system for films

GRAVURE AND flexographic printing of films for packaging food have always posed problems for the printer because the diversity of the materials used for the film, based on a range of plastics, has in turn imposed several different ink systems using a variety of resin types to ensure adequate adhesion.

Fishburn Printing Ink Co., 94, St. Albans Road, Watford WD2 4BU, Herts. (Watford 28282), has introduced an ink system which will cover the vast majority of cellulose, polyolefin, and saran-coated films.

Called Impac, it is an alcohol/ester reducible system comprising three whites, 12 colours and three additives (for specific film problems). The colours are high-strength finished inks designed for flexo and gravure, surface and reverse printing, either directly on certain films or over one of the whites. Additionally, the system is applicable to polyester and cast nylon films, paper, board, nitro-cellulose and shellac washed films.

The inks are commercially lead-free and meet the recommendations of the Society of British Printing Ink Manufacturers for inks designed to print on immediate food wrappers.

The full colour range, which includes a process set and several widely used packaging colours, should facilitate in-plant blending, enabling the converter to produce all colour requirements quickly and economically.

Suitable for a range of printing speeds, the inks have good heat, grease and scuff resistance, high gloss and flexibility, together with low odour and taint. They are suitable for use with appropriate single and two component laminating adhesives and are recommended for all natural and synthetic rubber stereos and photopolymer plates.

● DATA PROCESSING

## Inflation no problem for users

SPL INTERNATIONAL and Alvan Computer Consultants, have signed an agreement under which they will provide the first leasing service for software and total projects.

That the proposal is being taken very seriously indeed is underlined by the fact that a standard Government Lease Contract has been prepared in consultation with the Stationery Office, so that Government and local Government users can avail themselves of the service.

Leasing of hardware has long been a standard procedure, but marrying software and hardware, the two fundamental aspects of computing, has, in the past, always been difficult, particularly from the viewpoint of funding.

The SPL service will allow the client to finance his total project by equal monthly payments, which start once the contract has been signed, thus eliminating the need for large capital outlay at the various implementation phases of the project.

SPL will also provide a consultancy service to advise clients on the best type of financial arrangements for funding projects, that is, leasing, lease-purchase or purchase. Users have a choice of lease and lease-purchase contracts.

This new service offers "inflation-proofed" proposals, irrespective of time scale, and permits the re-equipment of government and industry without large cash outlay. It should, therefore, enable many companies to go ahead with projects previously postponed due to lack of funds.

Alvan are financial consultants who specialise in putting together lease and lease-purchase proposals and arranging project finance for their client companies.

SPL International, 12, Windmill Street, London W1P 1HF. 01-636 7833.



● MAINTENANCE

## Blasts the dirt from the floors

JETTOVAC is the first of a range of machines which will use the immense power of jets of water at extreme pressures — between 1000 and 2000 psi—to remove debris, greases and general dirt from hard floors of any type.

At the same time as the jet is operating, a powerful suction effort is put to work to remove all the spent water, together with soil and debris. This is drawn back into the machine in which the solids are first removed by filtration. Following this, the fluid portion is again filtered and pumped to the drains.

The Jettovac machines can cope with any type of floor from smooth concrete to cobbles and will clean out deep fissures, fixing holes and the like, as well as tight corners.

Loose material up to ½ inch diameter will be taken up and the equipment may be used either as a pure jetting machine or as a powerful vacuum unit.

Flan Drains (London), Julio's House, Woodcote, Reading Check, enden (0491) 681822.

● SECURITY

## Ultraviolet finds clues

SOME FORGERIES, certain drugs, adulterated or contaminated foods, etc., fluoresce when exposed to ultraviolet light. To carry out this type of check and other non-destructive test applications, a self-contained portable UV light source has been developed.

The unit is 7½ x 2½ x 2¾ inches and weighs 1 lb. Items to be examined are viewed through the body of the unit which is designed to exclude extraneous light. It is powered by two Ni-Cd cells which when fully charged will allow at least 120 several-second UV exposures. The built-in charger will recharge the batteries in 14 hours from the mains.

Details from Linolite Special Products, Pier Road, Feltham, Middx., TW14 0TW (01-890 8142).

## IN BRIEF

● Money could be saved by local authorities switching to a system of rate and rent payments developed by Kenrick and Jefferson in co-operation with Data Recognition, the companies assert. Personalised rent books are produced in OMR form by Kenrick and Jefferson showing the tenant's name, address and tenancy reference numbers. This information is shown in normal clear printing, and a bar code which is read by the Data Recognition Dataterm 3 optical mark reader. Inserts inform the tenant precisely where and when to pay, how much, and provide a receipt for payments. On payment cashiers hand-mark in the amount paid, reconcile, batch and send the coupons to the authority's data centre for processing and file up-dating. Data Recognition on 0734 598511.

● Software Sciences Products of Macclesfield, Cheshire, part of the Farnborough-based Software Sciences Group, has concluded a marketing agreement with Computel, the Bracknell-based computer bureau, under which Computel's clients will be able to use a ROBOT service. This agreement is believed to provide the first 1900 database service to be offered through a bureau. Computel on 01-247 6525.

● Gemini and Synergy Software have an agreement in principle to merge. This will make an even larger European group since Gemini Computer Systems is the U.K. representative of the CAP-SOGETI-GEMINI (CSG) Group of companies, Europe's main software services group.

● Unilever Computer Services has a "Master Plan" service for project management through network analysis. This brings together UCSL's computing service and support and the project engineering and management expertise of engineers W. S. Atkins and Partners, who have been retained by UCSL to provide clients with advisory services on project management. UCSL on 01-903 4851.

● Microcomputer Analysis—a new service providing assessment of the latest developments in microcomputing—is available monthly. It is sponsored jointly by Iann Barron and Mackintosh International. The publishers intend the new service to fill a gap in the market between the technical Press and specialised consultancy. By providing a standard service for a limited number of subscribers, Microcomputer Analysis will offer the depth of advice which can be obtained from individual consultancy, but at lower cost. Mackintosh on 0582 417438.

## APPOINTMENTS

# Director Group Pensions

• RETIREMENT will create the need for a successor in a large international company which has in the UK 10,000 employees, 4,000 pensioners and pension funds of around £40 million.

• OVERSEAS the company operates in thirty or more countries. The Director is a Trustee of the four main UK pension funds and responsible to the Main Board Finance Director. The Director is looked upon to advise all companies in the Group both in the UK and overseas on pension benefits and administration. Outside advisers are presently employed in the actuarial, property and investment management fields. As the funds grow, there is the possibility of in-house management of the investments.

• THE need is for depth experience of pension fund management and legislation gained in a significant industrial company. A degree or professional qualification is preferred.

• REMUNERATION is negotiable in five figures. Age under 50. Location Surrey.

Write in complete confidence to P. T. Prentice as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

# Managing Director

for the Board of a British insurance group in London.

• ACCOMPLISHMENT in directing the affairs of an insurance company or in international broking is the overriding requirement.

• TERMS are for discussion – the salary indicator is in excess of £20,000.

Write in complete confidence to G. W. Elms as adviser to the group.

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### ASSISTANT VALUATION CLERK

required by medium sized firm of Stockbrokers. Age preferably 18-24 and some experience. Competitive salary, LVs and bonus. Write Box A.5594, Financial Times, 10, Cannon Street, EC4P 4BY.

## PLANT AND MACHINERY

FORK LIFT TRUCKS. Second hand but look like new. Choice of 100 trucks at prices well below half cost of new! 1 ton to 25 tons, ready for immediate delivery. Trade and export welcomed. Large reduction on bulk purchase. List and photographs on application. Birmingham Fork Lift Truck Ltd., 4-8 Hams Road, Saltley, Birmingham B8 1DU. Tel. 021-327 5944/5. Telex 337052.

## GOURMET

GALLIPOLI RESTAURANT, 8 Old Broad Street, E.C.2. Open every day for lunch. Dinner and dancing until 3 a.m.—Cabaret twice nightly at 10.30 and 1.15 a.m. Mon. to Sat. £6.25. Tel. 623 1922.

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12% MINIMUM £1,000 PERIOD 5-7 YEARS
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## CONTRACTS AND TENDERS

### SCOTTISH DEVELOPMENT DEPARTMENT

### LONDON-EDINBURGH-THURSO TRUNK ROAD A9 DESIGN AND CONSTRUCTION OF KESSOCK BRIDGE

The Secretary of State proposes to invite tenders for the design and construction of a major bridge to carry the new trunk road A9 over the Beauly Firth north of Inverness.

The bridge is to be designed to comply with detailed criteria including loadings, structural design codes, highway geometrical standards and navigational requirements which will be supplied to the selected contractors. Estimated cost £20m. The bridge will cross exposed tidal waters and will have an overall length of about 1,000m. The main span must be not less than 240m and provide a clear headroom of 29m over a navigation channel 183m wide. The bridge is to carry dual 7.3m carriageways and may be designed to be built in either steel or concrete.

The conditions of contract will be based on the Institution of Civil Engineers Conditions of Contract for use in connection with Works of Civil Engineering Construction (Fifth Edition) but modified to incorporate two stage tendering. The initial stage will require the development of the designs and pricing to enable the client to make realistic engineering and economic appraisals of the submissions. The second stage will be the further development and detailing of the selected design to the stage where a final contract to build will be entered.

The selected design will be subjected to a full independent structural check by an engineer appointed by the client and will also be submitted for consideration by the Royal Fine Arts Commission for Scotland.

Invitations to tender will be restricted and will only be issued to firms or groups with adequate experience of both design and construction of comparable bridges. It is not anticipated that construction will commence before 1978.

Contractors who wish to be considered for this work should submit their names together with evidence of their experience and resources to:

The Secretary
Scottish Development Department
Road Project Team
NCR Building, 2 Roxburgh Gardens
Edinburgh EH12 5NJ
Scotland

by Monday 5th July 1976.

## LEGAL NOTICES

No. 001712 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of KIPCOUT LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of May 1976, presented to the said Court by AIR INDUSTRIAL DEVELOPMENTS LIMITED whose registered office is situate at Station Road, Shenstone, near Lichfield, Staffordshire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MAY MAY & MERRIMANS,
12 South Square,
Gray's Inn, London WC1R 5HH.
Agents for:
HINCKLEY, BIRCH & EXHALL,
20 St. John Street,
Lichfield, Staffordshire.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June 1976.

No. 001736 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROUNDCOURT LIMITED formerly CAPITAL & SUBURBAN PROPERTIES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 20th day of May 1976, presented to the said Court by CYRIL JAMES AUERBACH of 36-40 Berners Street, London, Chartered Accountant, and WALTER MAURICE HOUSER of 77 Wimpole Street, London, W.1 Solicitor, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 21st day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

PHILIP ROSS ELLISTON & BIEBER,
77 Wimpole Street,
London W1M 8BQ.
Solicitors for the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 18th day of June 1976.

No. 001766 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of J. MAXWELL TEXTILES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 25th day of May 1976, presented to the said Court by CARRINGTON FABRICS LIMITED Proprietors of Foxdenton Fabrics of Grove House, Eccleston, near Chorley, Lancashire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

T. R. JENKINS, DUGGETT & CO.,
1 Mariners Close,
Tadley,
Hampshire.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of June 1976.

COMMODITY Traders and Trainees wtd. - Charterhouse Appointments. 01-836 2377.

## APPOINTMENTS WANTED

CHIEF EXECUTIVE Managing Director Management Consultant seeks difficult situations to manage or advise upon. Reply Box A.5598, Financial Times, 10, Cannon Street, EC4P 4BY.

## LEGAL NOTICES

No. 001936 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DARUAL HAULAGE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 1st day of June 1976 presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 5th day of July 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person, or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41 Mark Lane
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 2nd day of July 1976.

No. 001829 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of L. V. D. HAULAGE & CIVIL ENGINEERING CONTRACTORS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 27th day of May 1976, presented to the said Court by REDLAND PURLE LIMITED whose registered office is situate at Claydons Lane, Rayleigh, Essex, Waste Disposal Specialists, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 28th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

[illegible]

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 25th day of June 1976.

No. 001950 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of QUADRALINE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-up of the above-named Company by the High Court of Justice was, on the 1st day of June 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 5th day of July 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41 Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 2nd day of July 1976.

WALCROS POULTRY FARM LIMITED
IN LIQUIDATION

NOTICE IS HEREBY GIVEN, pursuant to section 299 of the Companies Act 1948 that a general meeting of the members of the above-named company and a general meeting of the creditors will be held on the 1st July 1976 at 12.00 noon and 12.05 p.m. respectively, at [illegible] London WC2B 4DY, for the purpose of receiving an account showing how the winding up has been conducted and the company's property disposed of and of hearing any explanation that may be given by the Liquidator.

Dated this 1st day of June, 1976.
D. A. DRAPER, Liquidator.

## ART GALLERIES

AGNEW GALLERIES, 43, Old Bond Street, W.1. 01-629 6176. MASTER PAINTINGS until 18 June. Mon.-Fri. 9.30-5.30; Thurs. until 7.

MARJORIE PARR GALLERY, 285 King's Road, Chelsea, S.W.3. JOHN PIPER Paintings, Graphics and Ceramics. Until June 19th. Open all day Sat. Closed Monday.

ROYAL ACADEMY OF ARTS. SUMMER EXHIBITION Weekdays 10-6, Suns. 2-6. Adm. 60p (Mons. 30p). MICHELANGELO AND OTHER TREASURES IN THE PRIVATE ROOMS. Except Tuesday. Adm. 50p

THE PARKER GALLERY, 2 Albemarle Street, Piccadilly, W.1. Exhibition of marine, military, sporting and topographical prints and paintings and ship models.

## LABOUR NEWS

# Nalgo workers threaten action on redundancy

BY DAVID CHURCHILL, LABOUR STAFF IN EASTBOURNE

WHITE-COLLAR staff are threatening industrial action to prevent redundancies arising from cuts in public expenditure.

More than 40,000 gas clerical workers, members of the 625,000-strong National and Local Government Officers Association, are to ban overtime from the beginning of August to stop the rundown of staff by British Gas Corporation.

Delegates representing the gas staff, meeting on the first day of NALGO's annual conference in Eastbourne, also threatened to take industrial action from September in support of a closed shop.

### Slow down

This threat comes after nearly a year of negotiations with the corporation on a closed shop, which the corporation is resisting mainly because it is not prepared to force existing staff to join a union.

The gas workers' overtime ban is intended to compel the corporation to increase manning levels in line with the amount of work. At present, the gas workers claim, about £6.5m. a year is spent on overtime.

The chief effect of the ban, which has to be approved by the union's national executive, will be to slow down the corporation's payroll and accounts processing.

Social workers in Nalgo also threatened industrial action yesterday—against the advice of their national executive—over the "excessive" hours they have to work because of reduced staff levels.

Nalgo members in the electrical supply industry decided at their meeting yesterday to press for the introduction of a closed shop for white-collar staff similar to that already agreed with manual workers.

They also endorsed the union's policy of refusing to co-operate with non-union staff as part of the pressure for a closed shop. This has been Nalgo policy since last year's conference, but has not so far been implemented.

A one-day strike is threatened this month by 10,500 local government workers in Strathclyde protesting at the Government's cuts in public expenditure, including the closure of Glasgow's educational television service.

If it goes ahead the strike will be one of the first to oppose the cuts.

● An unofficial 24-hour strike will halt the meals-on-wheels service for 1,700 old people in Birmingham to-day. The stoppage has been ordered by three unions over the dismissal of a social worker, Mr. Martin Cumella, and the demotion of his team leader, Mrs. Pamela Mansell.

They have appealed against their disciplining for allowing a 13-year-old boy to stay with a convicted prostitute.

More than 150 other social workers have been on strike over the issue since Thursday.

# Community projects for jobless trainees

By Alan Pike, Labour Staff

CONSTRUCTION industry apprentices and trainees made redundant by the economic situation are to be employed on community building projects to enable them to complete their training.

Apprentices will be paid on a scale based on their normal wage rates and trainees receive £14 per week under a scheme agreed between the Construction Industry Training Board and the Training Services Agency.

The Board expects that about 1,700 apprentices and trainees will be directed to "project" work to continue their training under site conditions.

Up to 60 community projects are envisaged. Those being negotiated include improvement of old houses in Nottingham for a charity; an extension unit for Cromer Hospital, Norfolk; building of a boys' club in Liverpool; and conversion of a barn to accommodate young people in the Lake District

### Recession

Materials will be provided by organisations for which the work is carried out. Most of the rest of the cost of the scheme will be met from Government funds allocated to help maintain industrial training during the recession.

The Board says that efforts will continue to find permanent work for the apprentices and trainees, but hopes the scheme will ensure their training is properly completed, and make it less likely they will "drift away from the industry through lack of work."

All projects must meet the appropriate standards of skill in the apprentices, who have been trained in crafts including bricklaying, decorating, carpentry, plastering, plumbing, heating and ventilating and electrical installation. Jobs will normally take up to six months to complete.

Major Frank Britton, of the Electoral Reform Society, hands the results of the miners' pay policy ballot to Mr. Lawrence Daly, general secretary of the National Union of Mineworkers, and Mr. Joe Gormley, president (left). Miners were asked in the pithead ballot whether they backed their union executive's support for the Government-TUC pay pact. The results are listed below together with those of last year's ballot on the £6 pay policy.

| Area | Total vote | "Yes" % (votes) | "Yes" % to £6 policy % last Aug. |
|---|---|---|---|
| Kent | 1,968 | 35½ (703) | 52 (1,111) |
| Scotland | 13,660 | 36¼ (4,953) | 37½ (5,395) |
| Yorkshire | 45,468 | 38 (17,232) | 51 (22,555) |
| South Wales | 22,174 | 43¼ (10,930) | 47 (10,903) |
| North Derbyshire | 8,660 | 49¼ (4,266) | 62 (5,181) |
| Nottinghamshire | 24,085 | 54¼ (13,070) | 64 (14,676) |
| Scott. enginemen | 3,988 | 54¼ (2,169) | 57 (2,210) |
| North-West | 6,538 | 56 (3,673) | 60¼ (4,046) |
| Durham | 12,635 | 57 (7,195) | 63½ (8,380) |
| Cumberland | 879 | 61½ (541) | 66 (544) |
| Northumberland | 6,049 | 62¼ (3,779) | 72 (4,709) |
| Midlands | 10,456 | 63¾ (6,661) | 69½ (7,445) |
| Durham Mechs. | 4,955 | 65 (3,217) | 73½ (3,328) |
| South Derbyshire | 2,660 | 68¼ (1,818) | 76 (2,018) |
| Leicestershire | 2,418 | 68½ (1,657) | 66¼ (1,758) |
| Northumbld. Mechs. | 1,914 | 69¼ (1,328) | 82¼ (1,587) |
| North Wales | 820 | 70 (574) | 74 (640) |
| Power Group 2 | 1,111 | 73½ (815) | 83 (669) |
| Durham Enginemen | 743 | 77½ (575) | 86 (630) |
| Cokemen | 3,967 | 79 (3,135) | 81 (3,079) |
| Power Group | 3,805 | 80½ (3,065) | 83 (3,020) |
| Officials/Staff | 14,940 | 86½ (12,930) | 91½ (11,993) |

# Shipping pay talks fail

BY OUR LABOUR STAFF

PAY TALKS between the General Council of British Shipping and representatives of 46,000 Merchant Navy officers ended in deadlock after three hours yesterday.

A suggestion by the Merchant Navy and Airline Officers' Association that the issue be referred to the Advisory Conciliation and Arbitration Service will be answered by the council next week.

The council has already conceded a £6 increase for most of the officers, but there a dispute over increases for 3,600 cadets and also for about 1,200 officers who, if granted the full £6, would move above the £8,500 a year cut off point stipulated in the pay policy.

The pay settlement should have come into operation at the beginning of this month.

# Concorde fight

CONCORDE WORKERS at Fairford, Gloucestershire started to work to rule yesterday as part of their campaign to keep open the flight test centre at the base.

# Engineers' association recognised

By Our Labour Staff

THE NON-TUC U.K. Association of Professional Engineers (UKAPE) has been granted a certificate of independence under the Employment Protection Act. Recognition had been opposed by the TUC-affiliated Association of Scientific, Technical and Managerial Staffs.

Mr. John Sampson, the association's general secretary, said last night that companies and unions which in the past had been reluctant to negotiate with UKAPE would now be forced to change their attitudes.

If necessary, the association would use its rights as a certificated union under Section 11 of the Employment Protection Act to obtain recognition within companies

UKAPE is one of the unions recommended to the 100,000 non-unionised professional engineers and middle managers by the Council of Engineering Institutions in January.

The union is holding merger talks with the 33,000-member Electrical Power Engineers' Association, which last week formally launched a recruitment campaign among engineers in the private sector.

# Building trade self-employed 'need a voice'

By Our Labour Staff

THE SELF-EMPLOYED in the construction industry — about 400,000 out of 1½m. workers—should have a voice on the newly-established Construction Industry Manpower Board, says the National Federation of Self-Employed.

The federation also calls for a halt to the growth of direct labour departments in central and local government, in a report chiefly aimed at the Government's measures to tighten up on tax evasion by labour-only sub-contractors, otherwise known as the "lump"

# Union leader defends profit

By Our Labour Staff

THE £150m. profit made by the telecommunications divi[sion] of the Post Office during [the] last financial year [was] defended yesterday by [Mr.] Bryan Stanley, general sec[re]tary of the 127,000-strong P[ost] Office Engineering Union.

Mr. Stanley, a member of [the] Labour Party national exe[cu]tive, told his union's [con]ference in Blackpool that [the] best way to avoid stop[-go] policies in telephone capi[tal] investment was an adequ[ate] profit level, with every pen[ny] profit ploughed back into [the] business.

### Growth

In spite of the economic rec[es]sion and hefty tariff increas[es] the demand for telecommuni[]cations services and [the] amount of traffic on the au[to]matic network had contin[ued] to grow, even if the rate [of] growth had been reduced.

The present tariff levels sho[uld] be maintained for as long [as] possible, and certainly for [the] remainder of the pres[ent] financial year. The ne[xt] increases should be reasona[bly] modest.

### Split

Mr. Stanley emphasised [the] union's belief that the te[le]phone service ought to [be] separated from the l[oss]-making postal service. A v[iew] that appears to be gaini[ng] support among top executi[ves] in the Post Office, but strongly opposed by the Uni[on] of Post Office Workers, [the] biggest postal union.

If the two departments were s[o] separated there would [be] "total and uncompromisi[ng] opposition" by his union [to] any plan by a future Conser[va]tive Government to hive off [to] private enterprise any part [of] the telephone service.

Mr. J. Scott-Garner, the unio[n] president, said that a deal [on] pay restraint between the G[ov]ernment and the TUC [was] essential to the investm[ent] policies which the Post Off[ice] should pursue.

The alternative, a Conservati[ve] Government, would bri[ng] "devastating" cuts in pub[lic] expenditure, throwing ma[ny] more people out of work.

# 'Be wary of Tory sweetness'

By Our Labour Staff

TRADE UNIONISTS we[re] warned yesterday to igno[re] the "sweet words" of Co[n]servatives in the Tory ca[m]paign to woo the unions.

Delegates to the conference [of] the National Union of She[et] Metal Workers at Sc[ar]borough were told by [Mr.] Reginald Lofting, the pre[si]dent: "The promises of pa[r]ticipation and full consultati[on] have come a little late in t[he] day."

"Let us face the facts. Th[ey] won't change, and we will n[ot] be taken in by soft words.

"Even if we were in unguard[ed] moments inclined to be su[s]ceptible to the sweet wor[ds] we get a sharp warning sig[n] when one or other of t[heir] leading lights blurts out wh[at] is really in his mind, and w[e] see what the real policy is

CRICKET BY TREVOR BAILEY

# England head for a draw

GLAND RESUMED its ...ngs on the fourth day of the ...t Test against West Indies ...21 for 3 with Steele not out and Woolmer not out 53 in ...ly weather at Trent Bridge ...erday. The West Indies took new ball which was shared Roberts and Daniel. The latter warned twice by the umpire running on the pitch.

...aniel tried to overcome the ...blem by going to the extreme ...a of the crease and was ...sionally no-balled for break... the return crease. But he ...unted for the redoubtable ...ale who holde out at deep leg hooking a bouncer.

...ony Greig then faced a hostile ...r from Roberts who lifted a ...ple of balls from just short ...the leg, before knocking out England captoin's off stump ...h a yorker.

...nott, never at his most con...cing, was soon caught behind Holder and the arrival of Old, ...pect at the start of an innings ...inst pace, saw the return of ...erts.

...he Yorkshire all rounder ...ted with a fine cover drive, was in difficulties against the ...ra speed of Roberts. He was ...pped by the wicket keeper, ...yed and missed on several ...asions and eventually retired ...t after being struck by a ...ncer.

Woolmer, meanwhile, had been ...ting with complete assurance ...il he stepped back o an in...nger from Julian and was returned to the pavilion lbw for a splendid 82.

It looked as if England might not save the follow on, which at the start seemed to present few problems, but did not take into account some very hostile bowling and some inept batting. The worse was to come, when Underwood was caught off the last ball before lunch at 279 for 8 with 16 still required.

Tony Greig's off stump is sent flying and the England skipper collects a duck from the fast bowling of Roberts on the fourth day of the First Test.

The 16 runs were obtained by Snow and Old — who had returned in the afternoon—off the bowling of Julian and Roberts. They took the score past 300 before Old, who occasionally unleashed a fine drive, was bowled by Danial.

With the follow on averted, much of the fire and enthusiasm left the West Indies bowlers and fielders. Snow and Hendrick

**At the close of play, the West Indies were 124—3 with Richards, the centurion in the previous innings, 43 not out.**

showed that it was not too difficult to stay at the crease.

At 332, Hendrick was unable to resist a slow full toss from Fredericks and was caught off a miss-hit. England's total of 332 meant that the Tourists had a lead of 162 and, with four sessions remaining, a draw was highly probable.

After on early tea, Fredericks and Greenidge came out to open the innings for the Tourists. They began quietly against the bowling of Hendrick and Snow, who was unlucky to have the little West Indian left-hander dropped by Brearley at second slip.

West Indies first innings 494 (Richards 232, Kallicharran 97). England first innings: 332 (Steele 106, Woolmer 82).

APPOINTMENTS

# Sime Darby main Board posts

Mr. R. T. Constable and Mr. A. J. Sumner are to join the Board of SIME DARBY HOLDINGS from July 1. Mr. Constable, at present secretary of Sime Darby Holdings, will from the same date become managing director of the Western International Division. He will be succeeded as secretary by Mr. J. D. F. Drum. Mr. Sumner, at present chairman of Sime Darby Malaysia Berhad and executive vice-chairman of Sime Darby Plantations Berhad, will from July 1 become joint managing director of Sime Darby's Malaysia Division.

*

ALYESKA PIPELINE SERVICE COMPANY states that Dr. W. J. Darch, general manager of British Petroleum Company's refining operations, has been named president by the eight oil companies building the 800-mile Trans-Alaska Pipeline. Dr. Darch will replaced Mr. Edward L. Patton on July 1. Mr. Patton will become chairman and chief executive officer.

*

Mr. J. S. Curtis, chairman of THAMES BOARD MILLS, is to retire on November 30. He will be succeeded by the present vice-chairman, Mr. John F. Williams.

*

Mr. Robert Fullard has been appointed a director of the JOHN WRIGHT GROUP. For some years Mr. Fullard has been responsible for the group's research and development programme. Last year he was appointed general manager to the industrial textiles division.

*

Mr. F. W. Veale, formerly Administrator Income Tax and Commercial Relations Adviser to the states of Guernsey Advisory and Finance Committee, has been appointed to the Board of LEOPOLD JOSEPH AND SONS (GUERNSEY).

*

Mr. Leslie P. Murray, general manager of Unit Construction Northern Ireland, has become chief executive. For health reasons Mr. Norman J. Smyth, previously managing director at Unit, has relinquished that position. The parent concern is Alfred Booth and Co.

*

Mr. Jeremy Martin has resigned as regional director of ST. MARTINS PROPERTY CORPORATION as well as his directorships in the various subsidiaries.

*

Mr. John Langhorn has been appointed managing director for TRETORN in the U.K.

*

LONGMAN BONDING COMPANY, a member of the Invergordon Distillers Group, has appointed Mr. Andrew Murray as export sales director. Mr. Nicholas Wright, formerly a director within the IDV Spirits Division, becomes export sales director of FINDLATER (SCOTCH WHISKY) on July 2.

*

Mr. D. V. Wyatt, manager of the Electron Beam Division of TORVAC, has been appointed to the Board of CAMBRIDGE VACUUM ENGINEERING, a subsidiary.

*

Mr. Brian Coulton, vice-chairman of Harrison and Sons, has been elected president of the BRITISH PRINTING INDUSTRIES FEDERATION.

*

Mr. A. P. Bodley, president for Canada, PRUDENTIAL ASSURANCE, is to retire on September 30. He will be succeeded by Mr. I. D. Mair.

*

MARLER HALEY EXPOSYSTEMS has made the following Board appointments. Co-founder Mr. James Haley is appointed director, display division. Mr. John Fiveash becomes director and general manager; and Mr. Ian Abernethy is now sales director. Giltspur Expo Industries is the parent company.

*

CRODA CHEMICALS GROUP has made two new appointments. They are Mr. F. W. Greenwood, who becomes director-in-charge of the Oleochemicals Division, and Mr. T. F. Dyer as director-in-charge of the Synthetic Chemicals Division.

HOME CONTRACTS

# £3.7m. work on Authority's water schemes

The Northumbrian Water Authority has awarded contracts totalling more than £3.7m. TAYLOR WOODROW CONSTRUCTION (NORTHERN), Darlington, has received a £3,367,345 order to build Howdon (South) sewage treatment works, part of the Tyneside sewerage scheme. STANTON AND STAVELEY, Nottingham, has won a £262,504 contract to supply pre-stressed concrete pipes for the conduit 37A—a link-up main between Blackwell Station and Neasham Road, Darlington, to be installed as part of the Tees area raw water augmentation scheme. J. BLAKEBOROUGH AND SONS, Brighouse, Yorkshire, has obtained a £68,693 contract for drum screen mechanisms for the Sunderland sewerage scheme, and LEE HOWL AND CO., Tipton, West Midlands, a £44,224 order for pumping plant and ancillary equipment for Westwood sewage treatment works, Ebchester, County Durham.

* * *

PLESSEY TELECOMMUNICATIONS has won a series of orders, worth £1.5m., from the Post Office for frequency division modulation equipment as part of the expansion of the national trunk telephone network.

* * *

SHEPHERD CONSTRUCTION, York, has been awarded a package deal contract worth £1,130,000 for the design and construction of a new development at Thrupp, Glos., for R. A. Lister Power Plant, which includes installation of mechanical and electrical services. The project comprises a single storey factory building of 6,000 square metres floor area, a detached power house, tank farm and various external works. Sited at the rear of Lister's existing factory, it is for assembly and testing of diesel generating sets and will allow for future expansion.

* * *

HENRY BOOT CONSTRUCTION, Sheffield, has received a £980,000 contract to construct 107 dwellings for the Walsall Metropolitan Borough, comprising 48 flats in four three-storey blocks of 12, and 59 two-storey houses of three types. The company has also been awarded a £185,000 contract for reconstruction of a road over rail bridge at Huntingdon North railway station for British Rail Eastern Region.

* * *

MARRYAT JACKSON NORRIS, part of the Sime Darby Group, has won plumbing and heating contracts worth £520,000. These have been placed by Bovis Construction for the Greater London Council, and are for 717 dwellings under construction in Islington, as part of the Elthorne Road development scheme.

* * *

ICI won contracts totalling more than £300,000 at the recent Offshore Technology Conference and Exhibition in Houston, Texas. Seamless titanium tubing for high integrity titanium tubular heat exchangers, worth £212,000, was ordered from Imperial Metal Industries for the Phillips Norway Group Ekofisk project in the North Sea. ICI paint division, in conjunction with Metallisation Service, was awarded a contract to supply high durability paints for six modules being fabricated for Ninian Field production platforms. And, in association with Salamis Marine and Industrial, it sold protective coatings for 25,000 metres of immersed steelwork on the Ninian central platform now being built at Loch Kishorn in Scotland. The two paint division contracts are together valued at about £100,000.







C.O.B.L. MCMLXXI

# CISALPINE OVERSEAS BANK LIMITED

(Incorporated under the laws of the Commonwealth of The Bahamas)

**BALANCE SHEET AT DECEMBER 31, 1975**

(Expressed in United States dollars)

| ASSETS | December 31, 1975 | 1974 |
|---|---|---|
| **Cash and due from banks** | | |
| Affiliates | 70,214 | 881,557 |
| Others | 101,553,967 | 133,660,760 |
| | 101,624,181 | 134,542,317 |
| **Time deposits** | | |
| Affiliates | 9,583,130 | 23,002,128 |
| Banks | 121,681,108 | 45,797,833 |
| Other financial institutions | 36,236,620 | 23,000,000 |
| | 167,600,858 | 91,799,961 |
| **Loans and advances** | | |
| Affiliates | 5,534 351 | — |
| Others | 133,520,932 | 205,480,764 |
| | 139,055,283 | 205,480,764 |
| **Securities, at cost** | | |
| Quoted (Market value $7,112,508) | 7,072 569 | 7,067,274 |
| Unquoted | 3 331,758 | 8,893,239 |
| | 10,404,327 | 15,960,513 |
| **Accrued interest, commissions and other accounts (less provision)** | | |
| Affiliates | 161,949 | 641,417 |
| Others | 3,927,644 | 9,338,746 |
| | 5,089,593 | 9,980,163 |
| | $424,774,242 | $457,763,718 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | December 31, 1975 | 1974 |
|---|---|---|
| **Deposits** | | |
| Affiliates | 168,943,913 | 162,044,648 |
| Others | 225,319,243 | 265,987,069 |
| | 394,263,156 | 428,031,712 |
| **Accrued interest, commissions and other accounts** | | |
| Affiliates | 2 220,099 | 2,799,101 |
| Others | 4,209,676 | 4,484,959 |
| | 6 429,775 | 7,284,060 |
| **Proposed dividend** | 900,000 | 900,000 |
| **Shareholders' Equity** | | |
| Share capital | | |
| Authorised: 45,000 'A' shares having a nominal value of $100 each and 13,500 'B' shares having a nominal value of $1,000 each | $18,000,000 | $18,000,000 |
| Issued and fully paid: 22,500 'A' shares having a nominal value of $100 each and 6,750 'B' shares of a nominal value of $1,000 each | 9,000,000 | 9,000,000 |
| Share premium | 3,250,000 | 3,250,000 |
| General reserve | 10,900,000 | 9,250,000 |
| Unappropriated retained earnings | 31,311 | 47,946 |
| | 23,181,311 | 21,547,946 |
| | $424,774,242 | $457,763,718 |

1. The company's operations
Cisalpine Overseas Bank Limited, a subsidiary of the Banco Ambrosiano group, is licenced by the Ministry of Finance of the Bahamas to carry on banking and trust business.

2. Accounting policies

(a) Translation of foreign currencies
Foreign currencies have been translated into U.S. dollars in the accompanying financial statements as follows: all assets and liabilities at the year-end rates and operating income and expenses at the average quarterly rates.

(b) Transactions as trustee or nominee
*No account is taken in these financial statements of assets held or liabilities incurred as trustee or nominee.*

(c) Reclassification
Certain reclassifications of the 1974 figures have been made in the financial statements to conform to 1975 classifications.

REPORT OF THE AUDITORS TO THE MEMBERS OF CISALPINE OVERSEAS BANK LIMITED

In our opinion the accompanying balance sheet gives a true and fair view of the state of affairs of Cisalpine Overseas Bank Limited at December 31, 1975.

*PRICE WATERHOUSE & CO.*
Chartered Accountants

PARLIAMENT

# Healey repels Tory attack

BY PHILIP RAWSTORNE

WITH THE strength of the Central Banks around him, Mr. Denis Healey had no difficulty yesterday in repelling the Conservative attack on his economic policies.

The $5bn. statement of support for sterling reinforced the Government's political confidence as well.

And, further fortified by the miners' ballot, Mr. Michael Foot later sallied out to taunt the Tories with their threat of a censure debate while prudently putting the aircraft and shipbuilding nationalisation Bill out of harm's way.

The Tory political pressure had been carried like that of the market to an unjustified level, the Chancellor believed. And his statement, though it provoked a few jeers, relieved the Government of both.

"An impressive demonstration of international banking co-operation in support of sterling against unjustified market pressure," he described the Central Banks' action.

It certainly clinched yesterday's skirmish in the Government's favour, though Mr. Healey had arrayed his own formidable defence of the Government's position.

"Those who have sold sterling have done so in disregard of the basic facts of our economic position," the Chancellor declared.

The prospects for production, inflation, exports, imports and pay were all promising. "This is not a situation in which any responsible British Government could allow itself to be pushed into hasty and ill-considered changes of policy on public expenditure."

Government spending targets would not be exceeded and would be adjusted to meet the prior claims of exports and investment, he said.

Sir Geoffrey Howe, Tory economic spokesman, had some problems in adjusting his attack and could make little impression on the dollar-plated Chancellor. He demanded "public financial rectitude" from the Government—cuts in public expenditure in the national interest.

All he got was a sharp knock from Mr. Healey for "allowing party pressure to override his patriotism" and a chorus of Labour derision. Sir Geoffrey's attitude was "a very shabby contrast" to that of the international banking community, Mr. Healey declared.

After that, the Conservative probing became markedly tentative—even more so after Mr. John Pardoe had made it clear that, on this issue, the Liberals were not going to ally themselves with the Tories.

Only Mr. Edward Taylor (C., Cathcart) penetrated the Government's armour by asking why, if the bankers were so confident about the future of sterling, they weren't buying it instead of lending money to protect it.

## MPs urge Lonrho report publication

THE GOVERNMENT is still considering whether the report of the inquiry into the Lonrho company will be published, Mr. Edmund Dell, Trade Secretary, told the Commons yesterday.

Mr Dell told Mr. Teddy Taylor (C. Cathcart) that the inspector's report had been submitted on March 1. "At present the report is being considered and no decision has yet been taken about publication.

Mr Taylor, demanding to know what was going on, asked: "It is true that there has been pressure from other Ministries that this report should not be published, and isn't it unfair to the Lonrho company that, after all the allegations have been made against them . . . not to have this report published at all?"

Mr. Dell: "What is going on is that I am considering this report and whether it should be published."

Mr. Marcus Lipton (Lab., Lambeth Cent.) suggested that the report might have been held up because certain Peers had received golden handshakes.

Mr. Dell said there was nothing unusual about the length of time being taken.

In reply to Mr. William Hamilton (Lab., Fife Cent.) who asked for an assurance that the Government would publish as much as possible of the report and explain in the Commons why it had not published all of it, Mr. Dell said he could give no such assurance. "We will have to consider the report and make the decision," he declared.

## Hopes for new Concorde route

MR. EDMUND DELL, Trade Secretary said in the Commons yesterday that he hoped it would be possible to start a Concorde service to Melbourne when sufficient aircraft were available.

After Mr. Terence Walker (Lab. Kingswood) urged that there should be consultations with India about flights over that country, Mr Dell recalled that India was not willing to be flown over by Concorde supersonically.

## Returns 'not yet filed'

A TOTAL of 79,000 companies have not yet filed their annual returns for 1974 and there are 245,000 returns outstanding for 1975, Mr. Stanley Clinton Davis, Trade Under Secretary said in the Commons yesterday.

That represented 12 per cent. and 38 per cent. of the "live" companies registered in London, he added.

# Sterling sellers 'disregard basic facts of economic position'

MR. DENIS HEALEY, Chancellor of the Exchequer, said in the Commons yesterday: "Those who sell sterling have done so in disregard of the basic facts of the economic position."

In a statement, the Chancellor claimed there was no economic justification for the fall in the value of the pound.

Mr. Healey maintained, amid Opposition jeers that there was no economic case for changing public expenditure plans for the current year. "But we are determined to ensure that the planned total of expenditure is not exceeded."

The Government had made it clear to local authorities that they must bring their spending estimates for the current year within the figures given in the White Paper on public expenditure.

Mr. Healey said he was ready to take action in the fiscal as well as the monetary field if he thought it necessary.

The Bank of England was that day announcing the issue of £800m. worth of new long-dated 13½ per cent. Exchequer Stock 1996 which would yield over 14 per cent. on redemption.

Mr. Healey went on to announce the $5bn. standby credit which was being made available to the Bank of England to help the stability and efficiency of the international monetary system.

This comprised $2bn. from the U.S. and the rest from the Central Banks, and other countries, including Switzerland, and the Bank for International Settlements. Any drawings would be only temporary, though the Government would seek further drawings from the IMF if it was thought necessary.

There were shouts of "No!" from Opposition MPs when Mr. Healey added that he hoped the whole House would recognise this as an unprecedented support for sterling against unjustified market pressure.

Sir Geoffrey Howe, shadow Chancellor, said the whole House would be concerned that the new announcements involved significant additions to the Government's borrowing requirements both at home and overseas.

To jeers from the Labour benches and Tory shouts of support, he added that the reason for our troubles in the last two weeks and the last two years was not so much lack of confidence in purely economic factors but in the political management of our economy under this Government.

Sir Geoffrey said the experience of the past two weeks made it plain that although restraint on pay bargaining was vital, public financial rectitude, still being looked for in vain, was even more important.

People here and abroad continued to be disturbed that a large part of the Chancellor's own party failed to support the Government's White Paper and continued to behave as though it did not exist.

The Chancellor should announce clear financial targets. When would public spending be cut, instead of increased?

Sir Geoffrey asked whether the Government was prevented from taking decisions essential in the nation's interest by some sort of secret agreement with the TUC. The country was crying out for a Government which would take the difficult decisions in the interests of the nation as a whole.

Mr. Healey, replying, attacked Sir Geoffrey for "once again allowing party passion to override the patriotism we expect to characterise the Opposition front bench."

Sir Geoffrey was giving a sour and sullen reception to this massive international endorsement of sterling.

Mr. John Pardoe, Liberal spokesman commented that all who were not totally overcome by party political passion would welcome the Chancellor's determination not to indulge in panic cuts in public expenditure. "Such cuts would be totally phoney and could not be implemented by Government."

The natural conclusion from Mr. Healey's statement that there was no economic justification for the falling pound was that the reasons were political.

Mr. Healey said he was grateful to Mr. Pardoe "for expressing the views of the British people."

Mr. John Horam (Lab., Gateshead W.) said that according to German sources, Britain now had the greatest opportunity she has seen for 20 years.

Mr. Healey, agreeing, said that the remark made an interesting contrast with a recent speech by Sir Geoffrey Howe on the Government's pay agreement with the TUC.

Mr. Geoffrey Rippon (C Hexham) asked whether the Chancellor had any immediate plans for drawing on the loan he had secured.

Mr. Healey said Mr Rippon knew that no Chancellor would ever answer such a question. "There are a very large number of people who would like to know where I am going to use that money and I am not going to tell them."

Mr. Nicholas Ridley (C Cirencester and Tewkesbury) said that since the announcement of the pay deal with the unions the pound had fallen 15 cents against the dollar. The real problem was expensive, profligate Government spending.

Mr. Bob Cryer (Lab Keighley) said a Labour Government could not be subject to the whims of faceless speculators in sterling.

Mr. Healey said there had been a number of factors involved. "Speculation, in the sense in which you intend it, played only a very minor part, in my view, to recent events."

# Dell sees benefit to trade balance

THE OVERALL effect of the recent drop in the value of sterling is likely to be beneficial to Britain's balance of trade, Mr. Edmund Dell, Trade Secretary, told MPs yesterday.

Answering questions on the latest balance of trade figures, Mr. Dell said: "The prospects for our exports in the coming year are very favourable, and provide a strong expectation that the improvement in visible trade will be maintained."

The latest external trade figures showed that our visible trade balance continued to improve in the first quarter of this year under the impetus of renewed exports and growth following marked reductions in the deficit in 1974 and 1975.

Mr. Peter Morrison (C Chester) asked how much the drop in the pound would add to our import bill.

Mr. Dell replied that the drop in the value of sterling increased the cost of imports, but was also likely to act as a stimulus to exports. "We think that, over the year, the balance between these two factors will be a continuing favourable development of our visible trade position."

Mr. Max Madden (Lab. Sowerby) said the textile industry was suffering from cheap imports. He asked what policy the Government would pursue to defend the industry when it came to renegotiate the multi-fibre agreement and other international agreements.

Mr. Dell said that what gave the textile industry its opportunity was the great competitiveness of this country for exports and for import substitution.

Mr. Bob Cryer (Lab. Keighley) said that to maintain our balance of trade the Government must make use of selective import controls. It would be foolish to allow free entry of goods which were wiping out parts of our own industries.

Mr. Dell said that the Government had never ruled out selective import controls. But it would be absurd, at a time when we had a major opportunity of expanding exports, to put that possibility at risk.

# Foot still wants air Bill approved

BY JOHN HUNT

THE EXPECTED Tory attack over the Government's controversial Bill to nationalise aircraft and ship-building failed to materialise in the Commons yesterday, when Mr. Michael Foot, Leader of the House, announced that the report stage, which was to have started to-day was being postponed for a short period.

He promised that the Government had every intention of getting it on to the Statute Book this session, and firmly denied any plans for withdrawing the much-criticised Dock Work Regulation Bill.

Mr. Foot and Labour backbenchers taunted Mrs. Margaret Thatcher, the Conservative leader, over suggestions that the Opposition had intended to put down a motion of censure on the Government. But Mrs. Thatcher sat in silence as Labour backbenchers chanted "Censure motion" and "Come on, Maggie!"

Later, Mr. Robin Maxwell-Hyslop, Tory MP for Tiverton, raised his further point of order on whether petitioners against the Bill should be allowed to appear before the Bar of the House to state their case. The Speaker, Mr. George Thomas, said that he hoped to rule on the matter to-day.

During the brief exchanges in the Commons, Mr. Foot faced more trouble from his own Left-wingers than from the Conservatives. Some members of the Tribune Group were plainly sceptical about the Government's promise to press ahead with the Bill.

According to Mr. Robert Kilroy-Silk (Lab., Ormskirk) the Government's resolve looked "about as firm as a pink jelly on a hot afternoon." He added: "Why do we need this capitulation to the wet hens over there? Isn't it about time that the Government governed?"

But Mr. Foot told him that had the Government pressed ahead with the Bill to-day, there was every likelihood that very little progress would have been made. He assured him that he wanted the Bill on the Statute Book.

Mrs. Thatcher wanted to know why no arrangements had been made for an economic debate this week. The TUC, she said had apparently already started discussions with the Government over a new social contract.

"Is this House never to have an opportunity of getting time to discuss the economic situation and to have a proper White Paper?" she demanded.

Mrs. Thatcher also wondered if the postponement of the Bill meant that there would be major changes to it. If not, she wondered for whose convenience it was being postponed.

Mr. Foot retorted that it was for the convenience of the House generally. If the Tories were anxious to deal with it, then they would not have very long to wait. He was determined that it should reach the Statute Book this session.

"There has been some talk of a vote of censure: but I think that that has all vanished," he quipped.

Later, in his lengthy point of order, Mr. Maxwell-Hyslop submitted that the Speaker should say when witnesses and petitioners could come to the Bar of the House to be heard before any further proceedings were taken on the Bill.

Alternatively, he asked the Speaker to announce by what date they could bring petitions to be heard by a Select Committee whose report would have to be made to MPs before the House gave further consideration to the Bill.

These points stem from Mr. Maxwell-Hyslop's original success before the Whitsun recess when he got the Bill declared a hybrid measure and brought proceedings to a halt amid rowdy scenes in the Commons.

The petitioners against the Bill, in this instance, would be those companies which object to being nationalised. They would demand similar treatment to Marathon, the company which was excluded from the Bill.

## Business changes

THE ALTERNATIVE BUSINESS, announced by Mr. Foot, will be:

TUESDAY: Education Bill, remaining stages.

WEDNESDAY: Industry (Amendment) Bill, remaining stages; motion on the BBC licence and charter.

THURSDAY: Debate on the Royal Air Force; motion on EEC documents on education.

# Crosland takes tough line with cod deal critics

BY JOHN HUNT

MR. ANTHONY CROSLAND, Foreign Secretary, came in for some rough handling from MPs on both sides of the House yesterday when, in a toughly worded statement, he defended the interim agreement which had brought a halt in the cod war with Iceland.

He rejected allegations that 9,000 employees would lose their jobs as a result of the limitation of British fishing in Icelandic waters. Nor was it true, he said, that 60 trawlers would have to be laid up.

He explained that Mr. Fred Peart, the Minister of Agriculture, would shortly be announcing measures to alleviate any effects on the industry.

Using words that brought gasps of anger from MPs, he said it had been clear for some time to all thinking people—"even if not to the more backward sections of the trawling industry"—that in a world of 200-mile limits the industry must face a major adaptation.

His tough line was all the more surprising as Mr. Crosland himself represents the fishing constituency of Grimsby. But he firmly maintained that the only concession that had been made in the agreement was a concession to common sense.

"The next steps will be an urgent study by the Government of what help it can give towards the restructuring of the industry, the revision of the Common Fisheries Policy and the decision by the EEC on its 200-mile limits."

Angrily, Opposition spokesman Mr. Francis Pym demanded: "If the Government never was going to go through with its own policy, why did it embark on it in the first place?"

### Disgust

He scathingly attacked the Government for reaching an agreement with Iceland without preparing any contingency plans for the thousands who would lose their jobs in the fishing industry.

From the Labour benches Mr. James Johnson (Hull West) also criticised the deal. He said there was "dismay and disgust" felt by the people of Humberside. The city council and fishing families felt they had been let down.

He warned that in each fishing port, 500 fishermen and more than double that number on shore would be thrown on to the dole queue.

In his statement Mr. Crosland said that, although the Law of the Sea conference had not yet reached a final agreement, the trend towards 200-mile limits was now clearly irreversible.

"It was against this ground of an inexorable wide move towards 200 limits, a move from Britain and the EEC cann[ot re]main exempt, that the Go[vern]ment had to decide whether more to seek an agreement [with] Iceland."

He said the only alter[native] would have been to pursue cod war—"with the certain dangerous escalation, with i[nter]national, and especially opinion, moving sharply ag[ainst] us, with our moral pos[ition] steadily eroding as nation [after] nation accepted the princip[le of] 200 miles, until after only months, Britain and the ourselves accepted 200 mile[s."]

Mr. Crosland added: should have lost goodwill massive scale and our bar[gain]ing position in the Comm[unity] over the Common Fish[eries] Policy would have been seri[ously] complicated."

He said that no info[rmed] observer, even those tr[awler] owners who had been vociferous in their public [con]demnation of the agreem[ent] had argued for this optio[n].

It was clear that the ind[ustry] must face major adapta[tion]. "The content of the catch [will] change dramatically. The di[stant] water fleet will decline, in-shore and near-water [fleets] will expand."

Mr. Crosland said that the [pain]ful changes which now face Humber ports and Fleet[wood] would have had to occur wh[en] the agreement was signed o[r not]. The Government was deeply [con]scious of the financial [and] employment effects.

He expressed his appreci[ation] to those who took part in dangerous operation of prote[cting] the trawlermen—"and espe[cially] the trawlermen themselves their courage, restraint understanding during [the] dispute."

Mr. Crosland added: "We now concentrate on the fu[ture]. This is the first step in a process of adaptation which British fishing industry like fishing industries will hav[e to] face in this new world of 200 limits."

He predicted that the Br[itish] fishing industry would em[erge] from these changes "a diffe[rent] but still a vital and prosp[erous] industry."

Mr. Toby Jessel (C. Twi[cken]ham) asked what the effec[t of] the settlement would be on price of fish.

Mr. Crosland replied: "T[here] will be an increase in the of cod. But food processer[s do] not think it will be a big The effect would be less that caused by the devalua[tion] of the pound over the past months.

# Rees denies 'reckless dealings' with Ulster extremists

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. MERLYN REES, Northern Ireland Secretary, yesterday vehemently rejected Opposition condemnation in the Commons of behind-the-scenes talks with Ulster extremists.

But Mr. Airey Neave, Opposition spokesman, persisted in the accusation thta Mr. Rees engaged in "reckless, misguided and dangerous dealings with the Provisional IRA." The Minister should restore morale by ceasing such dealings, he declared.

Mr. Rees, indignantly repudiating charges that he was "dealing" with anybody, said: "I am engaged quite correctly in talks with people of all views in the Northern Ireland communities." These had been of great value to the security forces in recent weeks.

As the exchanges continued, the Minister added: "I am not in business to negotiate with murderers on either side."

As a result of the week-end violence in Ulster in which ten people were killed and 55 injured, 20 people were assisting the police in their inquiries, Mr. Rees said in a statement on the situation. Two people had been charged, inquiries were continuing, and more arrests could be expected.

The security forces had responded to the bombing and shooting incidents by concentrating on intensive checking and patrolling, especially in Belfast.

As the Opposition pressed for some indication of measures to step up protective security, Mr. Rees stressed the successes of the security forces in the past few months. Over 500 people had already been charged with serious offences this year.

He assured MPs that the Army force level was the same as at the end of last year and that no reduction was contemplated.

Mr. Neave wanted to know what progress had been made by the Minister's security committee, pointing out that it had been sitting for more than five months.

But the Minister said the committee could not come up with "some magic formula." It was looking into the long-term needs of the security forces.

Mr. Enoch Powell, (UUU Down S), assured Mr. Rees that in the face of recent events "any action however well intentioned and however understandable by private persons or groups of persons, can contribute nothing to security and can only endanger it." He said the United Ulster Unionist MPs "wholly and exclusively support the security forces of the Crown."

This rejection of any Loyalist action for taking the law into private hands was welcomed by the Minister. There was too much Press publicity for those who were prepared to set up road blocks, he suggested.

Pressed further by the Opposition on the needs of the situation in Ulster, Mr. Rees maintained that there were sufficient troops there.

The IRA must recognise that it could not win and that killing and murdering, which led to a Protestant response, would cause more killing of Roman Catholics in the end.

# The Executive's World

EDITED BY JOHN ELLIOTT

## Who speaks for Britain's managers and professional workers? A representation battle is now beginning

# Unions start recruitment campaign

BY DAVID CHURCHILL

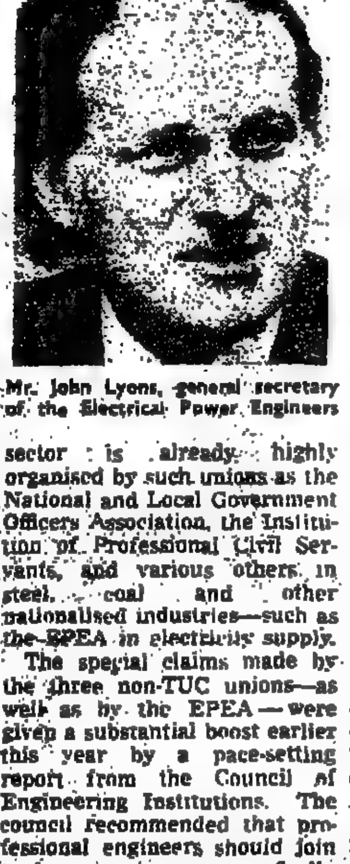
THE PLIGHT of a small, Wiltshire-based engineering staff association highlights the background to bitter rivalry which is developing among several white-collar trade unions to represent middle managers and professional engineers. This rivalry last week led the 33,000-member Electrical Power Engineers' Association — whose members earn between £3,400 and £12,500 a year with an average of £5,000 and work in the electrical supply industry—to announce its ambition to recruit between 100,000 and 300,000 professional employees and managers in private sector companies.

Many of these workers have no trade union organisation but others have been recruited into internal staff associations which now feel the need to become part of a broader organisation, partly because of new employment legislation which provides machinery for outside claims to gain recognition within companies and because of moves towards closed shops and employee participation. Typical of these is the Wiltshire based association which was formed within the Westinghouse Brake and Signal Company nearly two years ago. The engineers who formed it wanted to improve their bargaining power but soon found that their small association was not economically viable. So they looked around for a larger organisation with which they could merge without losing their professional identity.

They heard about the EPEA's intention of recruiting outside its existing territory and, after holding informal talks with the EPEA general secretary, Mr. John Lyons, decided to hold a ballot. Only three of the 127 engineers balloted were against joining the EPEA — a result which Mr. Lyons claims is reflected in a substantial number of other small staff associations and unorganised groups which are "daily approaching" his union.

These middle income earners potentially represent the fastest growth sector for trade unions, and are a prize which has attracted a good deal of attention in the highly competitive field of white-collar unionism. The EPEA's attempt to break into this field will therefore be hotly disputed by two other groups of unions which are already seeking to recruit middle managers. The first and most powerful group consists of TUC unions already established in the private sector —the Technical, Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers, Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs (ASTMS), and the Association of Professional, Executive, Clerical and Computer Staffs (APEX)). Then there are three small and non-TUC unions with a combined membership of under 25,000 whose appeal is linked to their professional orientation, but which have failed to make any significant mark. These are the U.K. Association of Professional Engineers (UKAPE), the Association of Supervisory and Executive Engineers (ASEE), and the Association of Professional Scientists and Technologists (APST) and at least one of them —the UKAPE—may merge with the EPEA.

All these unions—both those within and outside the TUC— are concentrating their ambitions on middle managers in the private sector since the public sector is already highly organised by such unions as the National and Local Government Officers Association, the Institution of Professional Civil Servants, and various others in steel, coal and other nationalised industries—such as the EPEA in electricity supply.



Mr. John Lyons, general secretary of the Electrical Power Engineers

The special claims made by the three non-TUC unions—as well as by the EPEA — were given a substantial boost earlier this year by a pace-setting report from the Council of Engineering Institutions. The council recommended that professional engineers should join trade unions — specifically naming the EPEA and the non-TUC unions.

The report placed great emphasis on the professional ethics of the engineer and stated that any union hoping to recruit this group had to recognise this restraining factor.

### THE RIVAL UNIONS: PRIVATE SECTOR

| TUC UNIONS | Membership |
|---|---|
| Electrical Power Engineers Association (EPEA) | 33,157 |
| Technical, Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers | 127,362 |
| Association of Scientific, Technical and Managerial Staffs (ASTMS) | 351,000 |
| Association of Professional, Executive, Clerical and Computer Staff (APEX) | 137,700 |
| **NON-TUC UNIONS** | |
| Association of Professional Scientists and Technologists (APST) | 10,000 |
| United Kingdom Association of Professional Engineers (UKAPE) | 5,500 |
| Association of Supervisory and Executive Engineers (ASEE) | 8,500 |

### ESTABLISHED UNIONS: PUBLIC SECTOR

| | |
|---|---|
| National and Local Government Officers' Association (NALGO) | 540,000 |
| Institution of Professional Civil Servants (IPCS) | 100,000 |
| Various others in steel, coal, and other nationalised industries | |

While the three non-TUC unions had this professional image— since they were formed basically to represent professional workers—the greatest benefit was immediately felt by the EPEA. On the other hand ASTMS and TASS were rejected by the report because, unlike the EPEA, their rules did not require a 60-40 minimum majority in a secret ballot before strike action could take place. "In practice, the EPEA recognises the value of a code of conduct and the need for a professional man to abide by it although in the ultimate any union must have freedom of action," said the report.

This professional and managerial code of conduct has been emphasised by Sir Frederick Catherwood, chairman of the British Institute of Management, who has said he supports managers joining trade unions— albeit probably outside the TUC —providing they were allowed the right not to strike. But the ease with which other other groups of professional workers—notably teachers and doctors—have shrugged off their ethical codes in support of strike action in recent years suggests that the professional ethics issue is becoming less important.

The success of the EPEA so far in establishing its image of a professional union from within the TUC has undoubtedly encouraged the approaches made to it by engineers and others like the Westinghouse engineers in search of a union.

## Outsiders

But Mr. Lyons' plans faced a stormy passage at his union's annual conference recently when, after a prolonged and often acrimonious debate, they were approved by a majority of only about three to two. Many members felt that by recruiting outside the traditional base, their interests would be diluted and eventually swamped by the influx of outsiders. There are, in fact, still rumblings of discontent from some of Mr. Lyons' opponents within the EPEA who would like to reopen the debate and want to hold an emergency delegate conference. Mr. Lyons insists, however, that the expansion will not directly affect existing members. He envisages a federal structure for the union with new members from each industry put into a separate organisation with its own name. Each industry section would be largely autonomous with the power to determine its own policy, including when to strike. Within the larger federal organisation, the sections would act together on general issues.

But the EPEA faces a number of problems. First there is the logistical problems of recruiting and servicing new members—as well as providing the necessary infrastructure of national and regional negotiators and back-up staff. The EPEA's experience so far has been confined to only one nationalised industry which, despite regional variations, has basically one uniform policy for its employees.

By recruiting scattered pockets of staff in different companies and industries, the EPEA will be faced with a plethora of scattered and difference procedural arrangements and other individual companies' idiosyncrasies. Even now the EPEA's national resources are spread thinly with only ten full-time officers at seven locations with another seven at its head office in Chertsey, Surrey. This compares, for example, with 30 national organisers in the rival ASTMS which is well used, as is TASS, to coping with membership scattered throughout the private sector. Mr Lyons intends to develop the EPEA's resources as the membership increases and to help absorb some of the anticipated burden, is holding talks with the CEI on possible joint personnel services.

## Territory

A more serious problem for the EPEA is that it may have underestimated the defensive abilities of the other TUC unions involved — ASTMS, TASS, and APEX—who will oppose it. While these three unions are reluctant to co-operate with each other in the long-term, they are equally keen to keep another union from encroaching on what they see as their rightful territory— even though they are mainly based on clerical workers, foremen and technologists. Both Mr. Clive Jenkins and Mr. Ken Gill, general secretaries respectively of ASTMS and TASS, are threatening to call the EPEA before the TUC disputes committees as soon as it tries to recruit in companies where they have an interest. Under the TUC's Bridlington inter-union rules, affiliated unions are prohibited from recruiting where another TUC union has organised a majority. They are also prohibited where unions have been unable to organise a majority because of "exceptional difficulties," such as employer hostility—which could apply where a company has accepted a union for clerical workers but refused it for managers.

## Construction

Both ASTMS, TASS and, to a certain degree APEX, are already involved in most major companies and industries likely to interest the EPEA, possibly with the exception of the construction industry.

All the unions involved are likely to take advantage of the recognition procedures of the new Employment Protection Act to stake their claims. This may be a lengthy process and might proceed in parallel with rows within the TUC. Employers who already have competitive situations between the various white-collar unions for clerical staff, may sometimes oppose the EPEA because of the risk of creating problems with other TUC unions.

Although the recruitment battle has therefore now begun in earnest it is too early to predict which unions will finally win. What is clear, however, is that the battle will continue for some time as the tide of trade unionism rises in small pockets of employees — such as happened at Westinghouse in Wiltshire.

# BIM and the Directors compete

Two directors-general—Mr. Roy Close of the BIM (left) and Mr. Jan Hildreth of the Institute of Directors (right).

THE QUESTION of who should speak for groups such as managers, directors and the professions has become increasingly important with the growing power in national and political affairs of the TUC. The example set by the TUC in negotiations in Downing Street and elsewhere has thrown into sharp contrast the ineffectiveness of organisations purporting to represent other sections of the community, and has led the British Institute of Management and the Institute of Directors to examine their roles.

At the level of individual industries and professions there is at present a mass of fragmented organisations ranging in effectiveness, for example, from the architectural and engineering professional bodies to organisations still struggling for national recognition such as institutes representing salesmen, buyers and motor industry managers. Then, at the top of an untidy pile of scattered trade and employers' organisations, individual companies, and nationalised industries, sits the CBI which basically represents industry but fails either to match the TUC for clout in Whitehall or to satisfy individuals that their frustrations are being cared for.

Correspondingly, it is the sharp increase in these frustrations over pay and other Government policies, themselves to a considerable extent the result of the TUC's power, that has made the individuals at managerial and director level in industry feel under-represented. This has led to activity in two directions.

First, organisations such as the Council of Engineering Institutions have recommended their members to join some form of trade union, and the British Institute of Management may soon discuss a similar initiative although it has turned its back on ideas that it should turn itself into a trade union.

But while any such initiatives would provide the managers and professions with a vehicle for dealing with their employers and to some extent with the Government and other bodies, it is felt by some that an additional "corporate state" type of voice is needed to match the CBI and TUC, maybe eventually with a seat at the National Economic Development Council.

It is this second line of activity which led the BIM council to decide last Thursday after receiving legal advice sought by its new director-general, Mr. Roy Close, to shed its charitable status so that it can campaign publicly to influence legislation and Government policies. In a similar vein the Institute of Directors (IoD) is to-day holding its annual general meeting where one of its members, who values the organisation primarily as a Belgravia club, will be querying the more political and institutional role which it has pursued for the past 18 months. Each of these two organisations considers itself to be the most suited to represent broadly the same people. Pointing to its council which includes company chairmen and managing directors, the BIM says that with a stronger branch structure around the country than the IoD, it can represent all managers from those on the shop floor up to the Boardroom. It considers that the IoD has no such constituency.

The IoD, however, considers the BIM to be primarily an educational and information body orientated around lower and middle management. It believes that the IoD has a special role to represent businessmen as opposed to managers—that is these people with overall responsibility for running a business, not just for managing a part of it. It does, however, find this distinction hard to maintain.

To-day's meeting at the IoD comes at the end of a stormy 18-month period in the 73-year-old organisation's history. In January last year Sir Richard Powell retired from being the IoD's director-general, a job he had held for 21 years during which the membership had grown from a few hundred to 40,000. He was replaced by a 42-year-old energetic and somewhat abrasive "new broom"— Mr. Jan Hildreth. The job given to Hildreth — whose career had included an administrative post at the National Economic Development Council, a Board membership of London Transport where, among other things he helped to paint advertisements all over London's buses, and a top position with John Laing—was to turn the IoD into a potent political force. But first he had to reverse a rapid slide into insolvency.

In doing this he has trodden on a lot of toes and gathered many critics—both for what some regard as an autocratic and withdrawn managerial style within the IoD and for failing to establish himself as a powerful voice outside. But he has sorted out the finances.

When he arrived 18 months ago he found forecast losses of £130,000 for 1975 and £250,000 for this year, partly due to leases falling due on four houses in London's Belgrave Square which form the IoD's headquarters—the rental on one of the houses for example went up for a 21-year-old figure of 17p a square foot to £4. Now the leases may be sold if the IoD clinches a deal to move into the former United Services Club building in Pall Mall which would provide cheaper, larger and more central headquarters.

Last year's cash flow was secured by selling shares with a book value of £100,000 for only £50,000, leaving total assets of only £120,000 in Government securities plus little more than the leases and contents of the Belgrave Square houses. Subscriptions which had been raised from five guineas to £8 a year at the end of 1974 were boosted to £30—which might mean a 25 per cent. drop in IoD's 40,000 membership. In addition, the IoD's monthly magazine, The Director, was turned from a glossy prestige product into a cross between a news and "house" magazine —probably saving £150,000 this year.

But the IoD still lacks any real political punch and for this it needs both research capability in Belgrave Square— where a two man research department is being formed— and a revamped branch structure around the country. Hildreth regards this as his next task and here, as in his other reforms, he has been especially backed by Lord Erroll, the Conservative politician turned businessman who is the IoD's chairman, and by Mr. Denys Randolph, chairman of Wilkinson Match, who is playing an increasingly prominent role in the IoD's affairs.

But despite many fine words and worthy sentiments, there is so far no sign of either the BIM or the IoD being recognised individually in the CBI-TUC league. This raises the question of whether costly and time-consuming rivalry — however friendly it may be — between the two is in anyone's interests when both are aiming at the same goals of improving the performance and status of executives.

JOHN ELLIOTT

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TUESDAY, JUNE 8, 1976




# We have been here before

CONNOISSEURS OF British economic policy will find that Mr. Healey's statement on sterling has a familiar ring. When the incoming Labour Government decided to defend the $2.80 rate for sterling in the autumn of 1964, one of its first actions was to mobilise some $3bn. of standby credits from the central banks. Allowing for the fall in the international value of money and the increase in international transactions, yesterday's announcement of $5bn. of standby credits was very much a repeat performance. Nor is this in any way surprising. For trying to stop a floating rate from falling further is technically very similar to defending a fixed rate that is under fire.

### Competitive

The new package has a chance of bringing a respite to the foreign exchange market, although confident predictions are out of place. The various borrowing operations did, after all, succeed in maintaining the old $2.80 rate for sterling for three years up to 1967: British costs and prices are a good deal more competitive at current exchange rates than they were in 1964-67.

Nevertheless, the standby credits do no more than buy a little time for the fundamentals to be put right. The length of the breathing space cannot be judged from the experience of a decade ago, when exchange rate movements were rare and the pace of events much slower. Mr. Healey's statement makes it quite clear that the present credits are not expected to last more than six months, after which the U.K. would have to come to terms with the IMF, although the leverage of that body can be exaggerated. Another problem which will have to be sorted out during these six months is that of the sterling balance holders. Even if they do not themselves move funds out of London, the knowledge of their existence hangs over the sterling market and limits its recovery potential.

On the internal side, the Chancellor has not given a millimetre to his critics: and it is no service to anyone to pretend that he has. Those people who supported the Budget strategy, with its overwhelming reliance on incomes policy and the risk that was taken with the borrowing requirement, will naturally be pleased. Those who thought it was the wrong approach have no reason to change their minds. Mr. Healey's critics had always believed that the main inflationary danger would arise in 1977-78, as a result of decisions being taken this year. They no more predicted the fall in sterling than anyone else, and there was never a real chance that the Government would change course a week before the special TUC conference, and on the day that the miners decided to support the pay policy.

It is worth emphasising the steadfastness with which the Treasury and Bank of England are adhering to the doctrines by which they have managed the economy in the past 15 years. The references to the money supply in the statement are perfunctory and do not go nearly as far as the personal beliefs of the Prime Minister and Chancellor might have led one to expect. Mr. Healey has once again been persuaded not to give any definite monetary targets: and without such targets it is quite impossible to monitor performance.

### Public spending

Otherwise, the Chancellor has contented himself with insisting that public spending in 1976-77 will be no higher than previously planned. The decisions for the next financial year have still to be taken and the prospect of another £12bn. borrowing requirement in 1977-1978 has not yet been banished. The intention still seems to be to make the decision on traditional demand management lines, despite the triple failure of that approach on the employment, inflation and balance of payments fronts in the past. The notion of controlling the flow of monetary spending, and leaving it to union self-interest not to price people out of jobs, is still heresy. History will not be so kind to prophets as to provide an exact repeat performance of past cycles: but there are too many parallels for comfort.

# Giscard walks the tightrope

THE AIM of President Giscard d'Estaing has always been to govern France from the "centre." This represents not only his personal political convictions, but also his belief that centrist-liberal policies are supported, deep down, by the majority of the French electorate, despite the recent Left-wing trend in voting patterns.

### Defence policy

For the time being, however, he still depends on the Gaullists to his right, and his plans for an "advanced liberal society" are beginning to run into potentially serious difficulties. Discontent has for months been rumbling among die-hard Gaullists over the President's enthusiasm for direct elections to the European Parliament, which they are portraying as a mortal threat to French national independence. Now he is being severely criticised from the same quarter for an apparent shift in defence policy, away from the Gaullist doctrine of complete self-reliance based on the nuclear *force de frappe*, while his plans for a modest capital gains tax have opened up the biggest split in the majority since he took office two years ago.

The defence row is probably the least of his problems. The latest official position implies no more than a marginal further step towards co-operation with the other Nato countries and the doctrine of flexible response, and the latest defence programme has already been voted. The storm will almost certainly blow over. The controversy over direct elections is hanging fire so long as there is no agreement in Brussels on the size of the new Parliament.

The main significance of the uproar over defence has been to highlight the divisions inside the majority at the very moment that Gaullists and "centrists" are at daggers drawn over the capital gains tax—the issue that must have been the main theme of the President's private week-end meeting with M. Jacques Chirac, the Prime Minister. There is no doubt that M. Giscard d'Estaing is facing a major dilemma. The Gaullists have said they will not support his capital gains tax proposals in anything like their present form, and he cannot look for support to the Socialists, who regard the plan as derisorily weak and ineffectual. If, however, he abandons the tax his credibility as champion of the advanced liberal society will be seriously undermined.

One option would be to dismiss M. Chirac, who has so far done little or nothing to persuade his fellow Gaullists to back the capital gains tax. But it is highly unlikely that any other Prime Minister would be able to deliver the Gaullist vote. Another possibility would be to threaten the Gaullists with new elections, an alarming prospect for them in view of the Left's recent electoral successes and the apparently widespread popularity of the capital gains tax proposal. The problem for the President that early national elections could simply accelerate the outcome widely predicted for the next scheduled elections in 1978—an Assembly in which the Socialist-Communist Union of the Left gained an overall majority.

### Feasible

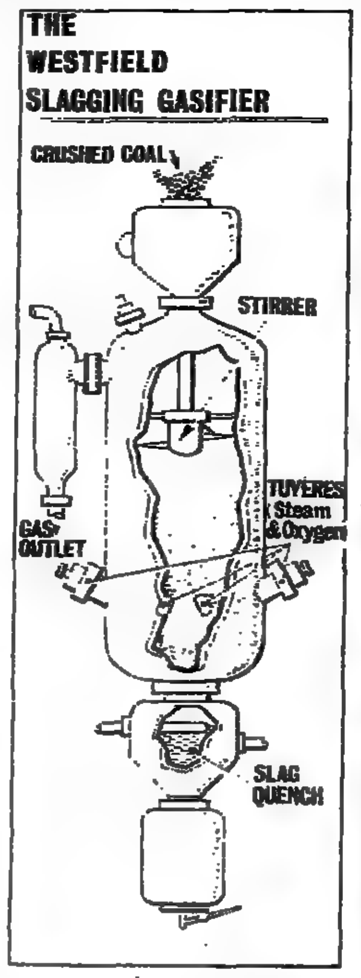
In that situation it is clear that M. Giscard d'Estaing's tactics would be to try to detach the Socialists from the Communists and govern with a centre-left coalition, ditching the Gaullists altogether. But if the swing to the Left continues, it is far from clear that the Socialist Leader, M. Francois Mitterrand, would go along with such a scheme. The last possibility, perhaps the most likely, is that the President and the Prime Minister will together succeed in patching up the row inside the majority. But M. Giscard d'Estaing has yet to prove that Government from the "centre" is a feasible long-term proposition.

**David Fishlock foresees coal's rebirth as a gas source, partly by an ugly-sounding U.K. process**

# The Slagging Gasifier: maybe an answer to coal's prayer

THE sulphurous town gasworks, surely the most mocked of all industrial plants, began to go the way of tallow candles soon after the end of World War II, but coal may be about to make a come-back as a source of gas. The old gasworks was displaced initially by new technology for converting imported light distillates to gas, and later by natural gas from the North Sea. The World Gas Conference, which opened in London yesterday, and a paper expected to-day on a long-range energy research for the U.K., find British Gas eagerly awaiting a U.S. decision which could mean its participation in a project costing upwards of £100m. for the construction of a new kind of gasworks feeding once more on coal.

The U.S. Government's Energy Research and Development Administration (ERDA) has been soliciting proposals for a full-scale demonstration of technology for making substitute natural gas (SNG) from coal. Its readiness to spend generously stems from the failure of the U.S. gas industry to find enough natural gas to keep 1m. miles of gas grid filled to capacity. British Gas is involved through its research for a group of U.S. companies led by Continental Oil (Conoco), patrons of a $16m. development programme at Westfield, near Perth in Scotland, over the past three years.




An artist's impression of the new gas-making reactor flanked by the late Dr. Frederick Dent (left), inventor of the "slagging gasifier," and Dr. Denis Hebden, programme director of British Gas's Westfield project.

For Britain, the outcome could be significant for at least three reasons. One is that it could mean foreign earnings since British Gas holds patents on the two key stages in the Conoco SNG process. Another is that the day will eventually come — though not, says British Gas, before the mid-1990s — when North Sea gas pressures will begin to flag and will need to be augmented by SNG. And finally the U.K. coal industry desperately needs to find a big new market to reduce its dependence on the electricity and steel industries — which in turn is helping to keep up the price of both steel and electricity.

## Overtaken by natural gas

The U.K. owes its strong position in SNG technology to the foresight of the late Dr. Frederick Dent, who spent over 30 years developing advanced gas-making techniques for the industry, only to see his life's work overtaken by natural gas in the late 1960s. At the time of his death in 1973, however, British Gas was commissioning a demonstration at Westfield of methanation, one of the key stages in the Conoco SNG process, discovered by Dr. Dent in 1937.

To transform coal into a useful fluid — an oil or a rich gas akin to natural gas — hydrogen must be added generously to the "coal substance." Thus a central factor in the economics of liquefying or gasifying coal to-day is how cheaply this hydrogen can be produced.

ERDA has already awarded a $237m. contract to one U.S. company, Coalcon, to demonstrate at full-scale what in effect will be a coal refinery, adding hydrogen to powdered coal by "hydro-carbonisation" to produce a spectrum of products from high-grade fuel oil to SNG. Mr. Neal P. Cochran, who authorised the contract on behalf of ERDA, writing in *Scientific American* last month, offered estimates of fuel oil at $15 a barrel and petrol at 33 cents a gallon on the basis of the Coalcon proposal. These were expected, he said, to be "comparable to current prices charged by producers for natural products and are typical of the prices of synthetic oil and gas."

Mr. Cochran is now evaluating at least four proposals for a counterpart full-scale demonstration of a coal refinery devoted exclusively to SNG. The specification called for a plant producing SNG at the rate of about 250m. standard cubic feet per day. The demonstration is envisaged as the precursor of industrial plants of the same size augmenting the U.S. natural gas grid by the mid-1980s. A score of these plants costing about $30bn. and consuming 165m. tons of coal a year would meet about 6 per cent. of U.S. energy consumption last year.

British Gas's confidence in the submission made by the Conoco-led consortium of seven U.S. companies rests in its claim that it is the only SNG process the critical stages of which have already been demonstrated on a "realistic" scale. Methanation and the "slagging gasifier" — another development from Dr. Dent — have both been demonstrated successfully at Westfield in trials financed by the consortium. As one British Gas executive asserts, rival proposals have concentrated on the thermodynamic efficiencies and produced plans which look very elegant on paper, "but it's going to be a nightmare to make them work."

In one respect at least the U.K. development is undeniably inelegant. But what matters much more than its name is how well the technology foreseen by Dr. Dent as early as 1938—and demonstrated on a small scale in the early 1960s but shelved with the advent of natural gas—has operated at large scale in recent months.

In 1974 the U.S. sponsors put up $10m. for the conversion of the old Lurgi gas-making plant at Westfield—the last in Britain—to demonstrate the latest design of slagging gasifier. This is a chemical reactor in which crushed coal is treated with steam and oxygen at temperatures and pressures significantly higher than in the conventional Lurgi gas-making process. It has three objectives: to improve the efficiency of the process; to minimise the amount of steam needed to provide hydrogen for gasification; and to discharge the non-combustible part of the coal substance not as a solid ash but (much more conveniently) as a liquid slag.

The Westfield development effort, led by Dr. Denis Hebden, is still coy about vital statistics of its reactor but not about its performance. Earlier this year the slagging gasifier completed two runs, each of seven days, in which it consumed coal costing £10,000 a day. This was gasified at a rate of 25m. standard cubic feet per day, of a quality deemed ideal by the sponsors for further conversion to SNG. Moreover, they believe that the reactor will need to be scaled up by no more than a factor of about three, to provide production units for a 250m. cubic feet per day commercial plant.

According to Dr. Hebden, manufacture of the SNG from the crude gas emerging from the slagging gasifier requires only a number of purifying stages followed by methanation, by which the oxides of carbon are converted to methane, principal constituent of natural gas. Dr. Dent's methanation process has already been demonstrated at Westfield, in a development project commissioned by the same U.S. sponsors in 1973, at a cost of $6m.

For two months the public gas supply in Fife was augmented by up to 10m. cubic feet per day of SNG. It was the first coal-derived SNG in the world to be distributed to the public, claims British Gas.

But a fuel gas of half the calorific value of SNG has long been a by-product of the world's most highly developed coal conversion process, the South African Sasol process for making petrol from coal. The gas, sold on the Reef, is one of a total of 114 products from Sasol 1, the coal refinery south of Johannesburg which has been producing premium petrol since 1955.

Sasol's refinery comes closer than anything else to a dream of the National Coal Board—to find a major new market for coal in the "coalplex" or coal-fed chemical complex. What is more, South Africa has certain incentives—apart from abundant coal and cheap labour—to pioneer the use of coal as a petrochemical feedstock. It has no indigenous oil, while its chemical industry lies far from the coast—but very close to the coal.

## Methanol into petrol

One ICI executive who sees South Africa as a laboratory for coal conversion is Dr. Duncan Davies, ICI's research manager. For one thing, Sasol has already taken the decision, last year, to capitalise on two decades of experience with a very troublesome technology and build a "commercial-size" plant for the 1980s, expected to convert 40,000 tons of coal a day. Sasol 2 is being designed predominantly as a petrol refinery, sitting above its own new, highly automated coalmine. The company is staying with the technology it worked so hard to perfect, namely the Fischer-Tropsch synthesis, with its own major modifications such as the use of locally-made iron catalysts at high pressures in place of cobalt at much lower pressures.

According to Dr. A. H. Stander, manager of the £590m. Sasol 2 project (early 1974 prices), the real cost of petrol from the new refinery will be about 25 per cent. higher than from an oil refinery with the same product profile, but fed from a difficult offshore source.

But ICI also has a much more intimate connection with South African coal conversion, through its associate company African Explosives and Chemical Industries, with which it has close technical links. For the past year this company has been operating at Modderfontein [...] world's biggest coal-f[...] ammonia plant, a £50m. proj[...] which uses coal instead [...] naphtha on "strictly econo[...] grounds" — the naphtha wou[...] have to come 400 miles o[...] land after being discharged [...] the nearest port.

Strictly speaking, in ammo[...] synthesis the coal is not so m[...] a feedstock as a source of c[...] bon for cracking steam, to ma[...] the hydrogen needed. Wh[...] Sasol uses a high-pressure, [...] temperature process as [...] initial step, African Explos[...] uses a low-pressure, high-te[...] perature route and obtains [...] cleaner gas, with metha[...] (methyl alcohol) as a by-p[...] duct. But a second proj[...] recently launched by the co[...] pany jointly with Sentrache[...] another South African chemi[...] group, will use coal as the fe[...] stock for a £125m. complex p[...] ducing PVC by the "obsolete [...] carbide process. This 100,0[...] ton plant—known as the "co[...] plex project"—is scheduled [...] be in production by the end [...] next year.

What could turn out to [...] the most exciting venture, ho[...] ever, stems from a recent te[...] nical agreement between [...] and Mobil, which has technolo[...] for turning methanol—the [...] product from ammonia prod[...] tion—into premium petr[...]

All this prompts the questi[...] whether a rising interest in [...] U.S. and South Africa in S[...] and chemical feedstocks fr[...] coal strengthens the case [...] Britain's National Coal Boa[...] for a national research eff[...] directed towards the coalpl[...] Its proposals envisage the [...] velopment of several separ[...] processes which might be p[...] mutated to give the desir[...] product profile. So far it h[...] had backing for only one p[...] cess, fluidised-bed combustion [...] a new furnace burning co[...] particles suspended in air [...] forthcoming as a joint proje[...] with W. Germany and the U.S.

In the NCB's favour is th[...] fact that having lost three b[...] markets—gas, railways a[...] domestic fires—since the w[...] the prospect of coal as a chem[...] cal feedstock is much the mo[...] promising new market in sigh[...] What is more, it has done exce[...] lent research not only [...] fluidised-bed combustion but [...] novel ways of extracting usef[...] constituents from coal. Again[...] the proposition is the fact th[...] the NCB's primary task mu[...] surely be to mine the co[...] cheaply, a task which [...] remaining customers compla[...] vociferously it is not withi[...] sight of fulfilling. At lea[...] until the U.K. coal industry ca[...] show that it has mastered i[...] primary task, the gas an[...] chemical industries—as pro[...] pective future customers fo[...] coal—believe that the coa[...] refineries and coalplexes wil[...] stand a much better chance o[...] succeeding if they take shap[...] in those countries with abun[...] dant cheap coal.

# MEN AND MATTERS

### Celebrating Outspan's 50th

Fruit celebrations seem to be quite the thing. A couple of weeks ago, I reported on the 75th anniversary of Fyffes of banana fame and yesterday it was the turn of Outspan and its golden jubilee. Outspan is the trade name used by the South African Co-operative Citrus Exchange which handles the annual output of 5.2bn oranges from about 3,500 farms.

About half of production is exported and Britain is the largest single importer. So over here seeing the trade from the other end was Lance Dankwerts, vice-chairman of the citrus exchange, who owns some 1,500 acres in the Eastern cape. He is though an untypical citrus farmer because he also keeps a dairy herd and sheep.

Oranges make up the bulk of the exchange's turnover, but there are also Outspan lemons and grapefruits, the latter gaining in popularity here thanks, presumably, to the fashion for grapefruit diets. Even though there is relative over-production in the world, Dankwerts pronounced his fellow citrus growers "satisfied" with their financial lot at present.

Outspan — the name comes from the grazing points allocated to oxen in carting days — fruits come to Britain mostly in the summer, and the easier-to-peel Mediterranean oranges are generally winter fare. However, the South Africans were happily reporting a breakthrough: this year for the first time some oranges from a recently-perfected strain of small dimensions have reached the British market.

Despite the fact we are South Africa's best customer, Outspan is scathing about the relatively poor consumption per capita here. Englishman Florian Brand, Outspan's chief executive in the U.K. for the past 14 years, described our consumption as "miserably low," but his organisation's turnover has risen consistently thanks to the increasing rate of demand elsewhere.

As for vice-chairman Dankwerts, he had an early start yesterday with a visit to the New Covent Garden market. It was relatively late in the business day when he arrived around 7.30 a.m., but things had gone well generally and Dankwerts, to his slight surprise heard only a "few minor complaints" from traders he chatted to.

Later on London began to swelter. Strangely, that did not make Dankwerts feel entirely at home as these last couple of years South Africa's weather has developed distinctly British overtones with plenty of rain. Of course, U.K. weather patterns seem to be changing in the other direction but the Outspan people were politely scornful about the chances of us getting a citrus industry going.

### Yawn

Public relations firms are always dreaming up weird ways of producing eye-catching invitations in the hope that the invite may provoke interest in an otherwise unremarkable event. I was not altogether surprised therefore to receive a glass bottle containing an invitation to the launch of the Festival of Mind and Body to be held at Olympia next year.

Not surprised, but a little intrigued. So I phoned the earnest PR lady who sent out the (presumably non-returnable) bottles. "Why the bottle?" I asked. "Oh! we were looking for an attention-getting way of issuing invitations using something related to the mind and body. The bottles are sort of medicine bottles like those used for pills and things."

Umm. Next question. "What is this festival?" "Oh! It's something quite new. It's a huge exhibition and happening." Even before the "happening" bit there was some confusion since the invitation clearly states "Jubilee Year" — but it turns out that refers not to their jubilee, but to the Queen's.

Further investigation elicited the fact that the festival will cover the "whole gamut of mind and body related activities." Everything from health foods to karate, and meditation to judo, with display stands backed up by a programme of lectures and demonstrations. It's only a personal view, but I reckon that Olympia is going to be a pretty dull place sometime next April.


### Dated opinions?

Jerry Brown, Governor of California and a runner for the Democratic presidential nomination, got a bit restless yesterday while waiting for Mrs. Ford, who was 20 minutes late arriving to open a new hospital in Los Angeles. Spying our man on the scene he jabbed his finger towards the Press pass: "Financial Times, huh? What do you think the financial impact of this will be?" The question was obviously rhetorical since with an expansive wave of his hand he continued, "The pound's in trouble, isn't it? What would you do about it—no panaceas? You've got to work harder to slip back more slowly." (He liked that phrase so he repeated it.) "Lower your expectations, tighten your belt," he added.

"Is that it," my colleague inquired mildly. "Yup—that's it," came the reply and the pound slipped from the Governor's mind. Money, however, did not, and neither did Jimmy Carter—until recently the definite front runner of the Democrats. "Jimmy Carter has run out of town and left a pot of money behind to buy the election," Brown declared.

He likes this sort of banter, and seemed flattered when he realised that his audience of British journalists had grown from one to two. He turned his attention suddenly to the other: "You've still got advertisements all over the front page, haven't you?" he queried. Brown may be a rising star in the Democratic firmament, but he is a bit out of date in his reading.

### Never say die

This week's news that the Society of Perpendicular Interment in Australia has launched a campaign to get the dead buried in an upright position reminds me of a recently overheard conversation which throws a new light on the age old argument on the relative advantages of cremation versus burial. These were being hotly debated by two people when a third member of the group chimed in: "I don't want to be buried or cremated. I want to be recycled."

**Observer**

SOCIETY TO-DAY

BY JOE ROGALY

# A more acceptable face for capitalism

IT IS IN THE direct interest of capitalism that every public company should adopt its own tailor-made policy of social responsibility. This would best be passed by the Board and published; it could then be monitored by one or more executives whose part-time duty it would be to ensure that the written code was put into practice at all levels.

Before anyone objects, "but what about profits?" let me add at once that there is nothing in this proposition that would prevent any company from adopting as its starting-point the assertion that the most socially irresponsible action it could take would be to fail to make a profit. This is, after all, expressly stated by the Chloride Group, whose detailed code also says that: "The Group will identify and take into account the social as well as the economic effects on all stakeholders when making investments, acquisitions, closures and divestments. . . ."

## Evidence

This extract is taken from a new study entitled "Towards Social Responsibility: company codes of ethics and practice," which is being published by the British Institute of Management (price £10 to non-members.)* It is no more "advanced" or "progressive" in tone than similar extracts from statements by 17 other major companies that are to be found elsewhere in the BIM report: if you take them together they constitute a useful new piece of evidence in favour of such written codes.

Yet many people will still need a great deal of convincing. The report is based on an unscientific sample of 400 companies of whom 130 sent back "usable data." Of those about half saw no need for such a code. It seems reasonable to assume that many of those who did not bother to write back felt that they had nothing much positive to say about the matter. This statistical objection is not meant to deny the report's finding that there is a developing consensus in favour of some kind of socially responsible policy (not necessarily written down) or that the survey "did reveal a surprisingly high number of companies that had made a positive commitment to social responsibility both through statements of philosophy and concrete actions"—it is just that we still do not know exactly what proportion of our leading companies can be counted as converted.

My belief is that capitalism will survive for longer, and in better shape, if the majority of companies can become converts as quickly as possible. One reason why is perhaps best understood if you consider for a moment the recent fuss over Sir Harold Wilson's Honours List. "We can cast aside such unsophisticated notions as that Sir Harold is a socialist, for clearly he is not, or that Honours Lists do not matter, for sadly they do. What is so remarkable about the fuss is that it seemed to centre around the conferment of honours upon old-fashioned entrepreneurs, men who in classical economic theory would be regarded with gratitude and respect because of the very fact that they had worked vigorously and unashamedly to make profits. (Some it is true, added to the national wealth, while others merely accummulated it and there is a difference.)

Now there is plenty of room for argument about whether we need such people in order to maintain or restore the vigour of our mixed economy. Perhaps we do, and if that is so they should be decked with garlands by blushing maidens. In fact those in our society who take honours seriously, or profess to do so, react with cries of horror if this kind of person is marked with favour especially if it is also exceedingly difficult to show that the recipient of the honour had done any particular public service beyond the making of a good profit.

> "Some people may wish that we lived in a society in which the thrusting businessman was regarded as an asset, pure and simple: my only advice to them is to move as quickly as possible to somewhere like Houston"

Some people may wish that we lived in a society in which the thrusting businessman was regarded as an asset, pure and simple; my only advice to them is to move as quickly as possible to somewhere like Houston, Texas, before such havens for militant entrepreneurs are overtaken by the gentler, if more muddled, attitudes that seem to prevail in most other parts of the Western world.

These attitudes have not been set down by a generally accepted ideologue who could give them shape, which is one reason why the anti-capitalists start every debate with such an advantage. But the idea that while profit may be an excellent device for measuring the performance of industry it is not in itself a sufficient motive on which to base social behaviour is probably the prevailing idea in most non-communist societies to-day. The BIM report quotes a number of studies which support the proposition that the overwhelming majority of managers believe that a desire to make a profit alone is not enough; this is after all the spirit of the CBI's report, "The responsibilities of the British public company."

The case in favour of companies adopting a "socially responsible" attitude, therefore, rests on a number of propositions. It is the right thing to do. Most businessmen seem to agree that it is right. The absence of all moral content in corporate behaviour could not be accepted by modern society. For the private sector as a whole it is thus a matter of straightforward self-interest to absorb this philosophy.

But once one has said that the difficulties begin. What is "social responsibility?" Part of the answer is easier than it might have been a couple of years ago. The wave of legislation in favour of making companies behave in a manner that seemed to be socially beneficial has probably passed its peak, but the laws remain in force. A code of responsibility could begin by setting out what these laws mean for individual companies, from the Health and Safety at Work Act, and the Sex Discrimination Act, to the Trade Descriptions Act, and the Control of Pollution Act: the BIM report lists 14 of them.

**ATTITUDES TOWARDS CODES OF SOCIAL RESPONSIBILITY (British Companies)**

| | Number of companies | |
|---|---|---|
| Companies in favour | | |
| —with codes | 40 | |
| —planning to introduce codes within 18 months | 13 | |
| —without codes | 13 | |
| | | 66 |
| Companies against | | 60 |
| Neutral | | 4 |
| | | Total sample 130 |

## Illiberal

Some of these laws, or parts of them, are not only socially irresponsible: they lack morality. For example, it should be no part of the work of a responsible management to deny individual employees their right to work by accepting the monstrous infringement of liberty involved in the closed shop. But, companies may cry, the unions insist! This is, of course, one of the fundamental difficulties in the whole exercise. In certain areas, such as the employment of blacks, or genuinely equal opportunities for women, or rules for apprenticeships, some trade union branches show themselves in practice to be illiberal, anti-democratic, "male chauvinist," and racially-prejudiced. The contrast between national TUC statements and much day-to-day practice in these matters is often sickening.

This does not absolve managers of their responsibilities. The very process of drawing up a statement of company policy and philosophy on "social responsibility" could be an opportunity for enticing the relevant unions into semi-public debate on these matters. The code will not mean much if the unions do not subscribe to it: the internal debate preceding the code might shame at least some reactionary shop-stewards into more civilised attitudes.

For what I mean by "civilised attitudes" one could do worse than consider the extracts from "Equal Employment Opportunity in Rank Xerox" that are reproduced in the BIM report. The company's policy, this document states flatly, is "to give equal opportunity to all, without regard to race, colour, religion or sex"—excepting, it says, in countries "where the law or the current stage of social and political development make it premature." This could be a let-out: on the other hand the company does have a "Manager, Social Policy" and a fairly detailed set of internal arrangements designed to make its rules work.

It would be wrong to deduce from this that Rank Xerox or any of the other companies in the report should in future be referred to as "The Most Responsible and Praiseworthy Rank Xerox," for we do not really know the extent to which these various good intentions are breached, and how many of the breaches are honest mistakes. But at the present stage of development of what in modern terms is something new in company management a detailed code and a mechanism for implementing it must be counted as a step forward.

As a second step, then, after codifying the requirements of the law as it applies to the individual company the average Board might consider the extent to which it wished to go further. Rank Xerox has apparently done that. It is equally apparent that many companies have not even begun to consider such a process. Some would argue that a written code would be inflexible: this would depend on the wording of the code and the care that was put into its preparation. Some would say that their every decision is based on moral considerations; if they believe this they have not given the matter much thought.

The Sex Discrimination Act, 1975, for example, leaves room for voluntary action by companies that take the big decision to give women employees genuinely equal opportunity. At present the Equal Opportunities Commission is working through persuasion. The day must come when it applies its considerable legal powers. And on the day after that someone will almost surely call for an American system of quotas of women employees in every department — something we surely want to resist in this country. Proper codes of sex equality thought out now would make further pressure (which will come anyway as most new labour over the next 20 years will be female) unnecessary. A similar pre-emptive move on race discrimination would contribute now to our future stability.

## Preservation

The BIM reports offers some specimen codes and other information. It is but one of several sources to which companies that have not yet caught up with this movement might go for advice. The preservation of capitalism over the next quarter of a century or so is not going to be easy, but if this kind of basic first step is not taken by managers themselves the battle might as well be taken as already lost.

*By Jan Melrose-Woodman and Ingrid Kverndal.*

# Letters to the Editor

## The role of capital

*From Mr. L. Sirc*

Sir,—In your issue of June 3 a letter by Mr. J. Baldwin pointed out that so far insufficient attention had been paid to the role of equity capital when there is workers' codetermination in enterprises. It so happens that I have just finished writing a study of self-management in Yugoslavia, entirely based on Yugoslav sources. My study confirms the views of Mr. Baldwin implying that the role of capital essentially changes when non-owners are given a decisive say in the running of enterprises. The change does not merely hurt the interests of shareholders, it influences the whole working of the economy, particularly its response to consumers' wishes.

The starting problem is divided responsibility: it is impossible for a large group of people (employees of an enterprise) to take the initiative, start an enterprise and decide on the initial investment, although this original decision has a decisive influence on the later performance of the firm. It is, for that reason, to a considerable extent by chance that an employee finds himself in a prosperous or in an unsuccessful company. The profits are welcome, but losses influencing pay fell to be an injustice.

For this and similar reasons, employees refuse to accept that there is a link between the market and their incomes. Employees in failing enterprises demand parity with their mates in prospering enterprises. To achieve that, they erode their enterprises capital or demand government help.

### Employees

It is sometimes said that employees have invested their lives in the enterprise and should, therefore, have a decisive say in its running. In a sense that is true, but it is also true that the failure of a firm entirely or partly wipes out its capital while it does not, in the somewhat longer run, diminish the earning capacity of the workers provided they can find work elsewhere in a buoyant economy. This distinction and the right to work employees are normally assumed to have, reduced the feeling of responsibility for an enterprise in non-owners. Certainly it would, in most cases, hit workers more if their wages were reduced than it does capital owners when they lose a part of their wealth or income. But this is precisely the reason why the principle of workers' responsibility for the functioning of an enterprise is never consistently carried through, so that no responsibility remains if it does not fall on capital.

The obverse of the upward levelling of wages is the lack of savings in enterprises. Nevertheless, there is much investment, often misguided, but mainly out of credit expansion, that is, inflation. Employees have a low propensity to save even when they save for themselves, while in Yugoslavia whatever is saved in enterprises and ploughed back becomes "social property." The situation would not be so much different if the employees were to decide on what would become the property of others. The Yugoslav Government was forced—after attempts at distribution of enterprise revenue by workers—to introduce guidelines negotiated between the government, trade unions and chambers of commerce which, of course, negates the principle of free management of enterprises.

Without much doubt, employees are fully aware that investment raises their productivity, but savings have become a sort of tax and, as with taxation in general, people like whatever is bought for them with taxes, but do not like to pay them. The Yugoslav Government has, as a consequence, begun a discussion on the required link between "past labour," as they call capital, and individuals, but without any result. On the other hand, it is in the interest of employees to amass as much capital in their own enterprise as they can, if they do not have to pay for it, which they do often at the expense of other enterprises. In fact, there is a constant struggle between various groups of employees.

It is not in the interest of the workers to rush—for sentimental reasons—into a system the consequences of which have not been fully explored.

L. Sirc.
Department of Political Economy,
Adam Smith Building,
University of Glasgow,
Glasgow, W.2.

## Industrial democracy

*From the Chairman, Legislation Committee, Unit Trust Association.*

Sir,—Mr. J. Baldwin (June 3) makes, of course, a most important point. It is entirely possible to conceive an implementation of "industrial democracy" of a type calculated to prejudice the interests of shareholders, whether by reducing efficiency and profitability or by circumscribing the rights of equity participation. The implications for investment policy, both individual and institutional (as well as for the market), would obviously be serious.

Investors must therefore unite to ensure that this does not happen. This Association, doing its best to speak up for 2m. savers who have put their money, directly or indirectly, into unit trusts, has recently submitted evidence to the Bullock Committee emphasising its total opposition to any measure by which the interests of unitholders might be prejudiced. If investors and their representatives make their voices heard, there is every chance that these proposals for statutory "worker representation" will either be abandoned or, at worst, introduced in a more or less unobjectionable form.

Edgar Palamountain.
*Park House,*
*16, Finsbury Circus, E.C.2.*

## A knowledge of rock

*From Mr. J. Warner.*

Sir,—Your gardening correspondent Robin Lane Fox, in his article entitled "Don't Knock the rock" (May 26) suggests that anyone building a rockery using Westmorland stone should have at least a sense of guilt about doing so.

While I agree to a certain degree that removing outcrops of this type of stone from the Fells can be detrimental to the view of the landscape as a whole, the gardening public in general know only of Westmorland stone for rockeries, and York stone for paving and walling. There are, however, many other varieties such as Purbeck, Somerset, Mendip and Forest of Dean to name but a few in the south of England which are quarried and as such are natural resources with which we should make the most use. These stones are both warm in colour and generally cheaper and surely preferable to man-made imitations. The average garden rockery contains approximately two tons of stone and future public requirements will not mean opening new quarries. Likewise, natural walling and paving stone are surely more pleasing to the eye than brickwork or cement products.

J. M. Warner.
*"Stonescapes,"*
*Brook Garden Centre, Brook,*
*Nr Godalming, Surrey*

## Self-evident truths

*From Mr. A. Freeman.*

Sir,—I do wish that just for a change Mr Gordon Tether would practise what he preaches. In one paragraph of his column of June 3 he writes "It (the Government) cannot continue to rely on the practice of presenting essentially controversial assumptions as though they were self-evident truths." Fine words. But what does Mr Tether say only three paragraphs later? He presents as a self-evident truth the fact that foreign exchange traders cannot, or will not put a correct valuation on the £. Of course, it depends on what one means by "correct," but I would regard it as a self-evident truth that any foreign exchange trader who was so incompetent or so wilful as to set a false rate would soon be out of business.

"Further on Mr Tether suggests that wage restraint "may merely serve to inflate the business system's profits"—implying the self-evident truth that this is a bad thing and should be stopped. Cannot Mr Tether understand the self-evident truth that a profitable business system and the creation of new jobs are interdependent? Or is it perhaps that when he talks about a self-evident truth he means a truth that is self-evident only to himself"

A. T. Freeman
*Fernhill Cottage,*
*Ide Hill,*
*Sevenoaks Kent.*

## Students and teachers

*From Miss K. E. Campbell.*

Sir,—Mr. C. Clarke, in his letter ("Students and Teachers," June 3) talks of the "30 per cent. who won't get jobs" and infers that they will be on the dole: but will this necessarily be so? Many will find outlets where their trained minds, if not their speciality, will be of use and—perhaps finding, to their surprise, that the apparently humdrum job can be absorbing—will have a more broadly based experience at their command if they succeed in finding teaching posts later. And if Government spending is not cut, where will they find jobs of any sort, and where, in an unproductive economy, will be their social security?

K. E. Campbell
*46, Huron Road, S.W.17.*

## Wasting money

*From Mr. B. Webb Ware*

Sir,—May I support Mr. C. Palmer's criticism of the Inland Revenue from my own experience, despite the strictures of the chairman (June 4).

Three years ago the local inspector wrote to me asking where I made a return, as he had no record of it. I sent the letter to my accountants, who replied in detail. A year later I received an identical request. As I did not want to get involved in the cost of a reply from my accountants again, I replied direct referring to the reply of the previous year.

After another year I got precisely the same request from the Revenue again. Not wishing to waste the cost of a stamp, I put the letter in the waste paper basket. So far I have not been bothered any more. With Mr. Price I wonder also who is wasting the taxpayers' money.

B. Webb Ware.
*Stoberry Cottage,*
*Graffham, Near Petworth,*
*Sussex.*

## Transport policy

*From Mr. L. Payne*

Sir,—Your correspondent, Mr Ralf Bonwit (May 27), really touches the heart of the problem when he mentions our appalling record, as a nation in investing in transport infrastructure.

The Green Paper on transport policy clear postulates a percentage fall in expenditure related to inland transport. What it does not clearly say is that under one-half of this expenditure will be on infrastructure, that is 2.0 per cent. of total public expenditure.

Clearly the main purpose of any transport policy is to meet the demands of society. To-day our society demands wide ranging flexibility and movement, both in terms of people and goods and services. Basically we need to create a transport infrastructure to enable the population to enjoy the benefits of industrial production and integration and at the same time ensure the necessary support for an efficient and expanding manufacturing and agricultural industry competing in world markets.

The lessons of the Industrial Revolution were plain, in that unless the basic transport system is good, a country does not prosper. In the 19th century, when rail was the most modern and up-to-date mode of transport, in the short space of 15 years we created some 30,000 miles of rail track—in consequence we became the leading industrial nation in the world. In the 20th century we have sadly neglected our transport infrastructure in a time when the combustion engine is the primary form of transport, we have only managed to construct 1,000 miles of motor way in 15 years—in consequence our standard of living has declined compared to the rest of the world.

Unless we begin to get our investment and expenditure priorities right the policies will remain just bits of paper.

L. S. Payne.
*Wisley, Gills Hill Lane,*
*Radlett, Herts.*

## Education and industry

*From The Honorary Director, Cognitive Research Trust.*

Sir,—Every now and again, with increasing frequency, a prominent industrialist complains that the education system in this country ignores the wealth-producing sector of the economy and does not motivate pupils to enter this sector. Unfortunately, none of these complaining gentlemen has much knowledge of what actually happens in education. The situation is far, far worse than any of them imagine. At no place in school education is any understanding given of the way industrial society works. Pupils have the wildest notions of profit, investment prices or even how the corner shop works. In tape-recorded hours of discussion about the jobs they would like to do when they grow up there is never a mention of industry or business at any level.

In several instances I have followed up the complaints by an industrialist. The results have been disappointing. One well-known industrialist even said that all industry required was that people should be able to read instructions and add up. This shows a tragic lack of understanding of the political nature of society.

Every pupil leaving school should have a good understanding of how present-day society works: both as regards the productive sector and also the regulating sector (government). The fact that pupils know a lot about the ancient Egyptians, glaciers in Greenland and the wives of Henry VIII but almost nothing about the mechanics of the society in which they live is an absolute disgrace.

Pupils must be given an adequate chance to understand the intellectual challenge and fascination of production and administration. There must be ample opportunity to develop a motivation that is at least as strong as that leading to the academic or professional life.

Emphasis, at least in part, must be shifted from the academic type of thinking skill to the operating type. At the moment education places its whole emphasis on knowledge absorbing skills and none at all on operating skills (decisions, planning, problem solving, having to act on incomplete information, etc.). There is a considerable difference between the skills needed to describe and talk about something and those needed to get something done.

Not so long ago the chairman of GKN complained that there were too many talkers and not enough doers. An easy but justified complaint. Why then are such industrialists content to be talkers and complainers in this matter — rather than doers? Because there is an incorrect feeling that nothing can be done without a vast expenditure since education is so self-contained a system. There is also the feeling that businessmen should stick to business and leave education to educators. This can only be characterised as a feeble attitude. Did it but know it industry has an immense power for altering the education system.

The most sensitive control point in the whole education system is the school leaving examination. The whole of secondary education is determined by the requirements of these examinations which decide the subject areas and the syllabus content. In turn the nature of the examinations is determined mainly by historical momentum and also by the academic requirements of universities seeking scholars. The situation is a total stranglehold.

As a definite practical step towards an escape from the academic stranglehold we are starting an examination in General Thinking Skills. The intention is to shift the emphasis from academic description skills to practical operating skills (decision, etc.) so as to give an opportunity to those people who at present have no way of showing that they are bright but not academic. If only a handful of the 30,000 companies in this country were to decide that an emphasis on practical thinking skills made sense they could indicate in their recruitment that attention would be paid to evidence of this. Parents would take note and schools would have to follow. This first examination would then be coupled with a second part which would require a basic understanding of how society works. Together the two parts would become an industry entrance exam. Since as an employer industry is more important than the Universities the impact would be considerable. In this way, in a few years and with no cost and virtually no effort the education system will have been changed.

Edward de Bono.
*11, Warkworth Street,*
*Cambridge.*

# To-day's Events

**GENERAL**

U.K. balance of payments figures for first quarter.

New round of North-South dialogue on energy begins, Paris.

Conservative Party national conference on direct labour, London.

Lord Watkinson, CBI president, speaks at its South-West Region annual lunch, Bristol.

Institute of Directors annual meeting, London.

Sir Campbell Adamson, CBI director-general, attends CBI Scotland Council, Glasgow.

Stock Exchange Council considers formation of London market in traded options.

Duke of Gloucester opens Caxton '76 Exhibition, Olympia.

General and Municipal Workers' Union conference, Bournemouth.

National and Local Government Officers' conference, Eastbourne.

Post Office Engineering Workers' Union conference, Blackpool.

Bakers' Union conference, Southport.

**PARLIAMENTARY BUSINESS**

House of Commons: Remaining stages of Education Bill.

Select Committees: Nationalised Industries (Sub-Committee A): Subject: British Rail. Witnesses: Transport Salaried Staffs Association. Direct Elections to European Assembly. Witness: Mr. Patijn, Rapporteur of Assembly's Political Affairs Committee.

House of Lords: Agriculture (Miscellaneous Provisions) Bill, committee.

**OFFICIAL STATISTICS**

Hire purchase and other instalment credit business (April). Retail trade (April—final). Construction output (first quarter).

**COMPANY RESULTS**

Charterhouse Group (half-year). De La Rue (full year). Harrisons and Crosfield (full year). Hill Samuel Group (full year). Johnson, Matthey and Co (full year). MEPC (half-year). Metal Box (full year). Wedgwood (full year).

COMPANY MEETINGS: See Page 20.

# COMPANY NEWS + COMMENT

## Carless Capel up £0.2m.: pays 1.5p

REFINERS of hydrocarbon solvents, Carless, Capel and Leonard reports turnover up from £19.07m. to £24.32m. for the year to March 31, 1975, and pre-tax profits of £2.39m. compared with £2.18m.—which was struck after non-recurring charges of £1.07m.

At halfway, when profits were £1.21m. against £0.93m., the directors forecast that the full-year figure would aproximate that of 1974-75.

Full-year earnings are shown to be unchanged at 6p per 10p share. The dividend is stepped up from 0.7513p to 1.5p net on capital increased by last July's one-for-three rights issue. The final payment is 0.9p and a one-for-one scrip issue is proposed.

| | 1975-76 £000 | 1974-75 £000 |
|---|---|---|
| Turnover | 24,321 | 19,068 |
| Profit before tax | 2,385 | *2,184 |
| Net profit | 1,142 | 972 |
| Pref. dividend | — | 5 |
| Extraordinary debits | — | 89 |
| Attributable ordinary | 1,142 | 883 |
| Ordinary dividends | 206 | 111 |
| Retained | 946 | 772 |

* After charging non-recurring items of £1,065,000

### ● comment

A second half profits slip of 6 per cent. from Carless Capel is a better result than had been indicated at the interim stage, and full year profits are nearly a tenth higher. Exports, which carry a higher margin than sales in the U.K., more than doubled to over £6m. while the U.K. turned in an increase of about £2m. for the year after a £½m. setback at the interim stage. However, even though a second half improvement of 48 per cent. in sales is in excess of the group's earlier expectations, because of Capel's wide spread of customers it will take a general recovery in the U.K. economy before U.K. volume shows any substantial further growth. Following the £1.97m. rights issue last June Carless is still sitting on about £1m. of net cash, while the North Sea involvement is a sweetener with profits flowing through in a couple of years. Meantime at 65p the yield of 3.64 per cent. is covered 4 times and the p/e is 10.7.



## Radiant Metal progress

Turnover of Radiant Metal Finishing Company increased from £487,593 to £567,424 in the year to February 29, 1976, and pre-tax profit advanced from £135,810 to £152,830, after £62,051, against £60,874, for the first half.

The dividend is stepped up from 1.48375p to 1.815625p net per 12.5p share, with a final of 1.113125p.

| | 1975-76 £ | 1974-75 £ |
|---|---|---|
| Turnover | 567,424 | 487,593 |
| Trading profit | 134,905 | 114,484 |
| Other income | 17,925 | 21,326 |
| Profit before tax | 152,830 | 135,810 |
| Taxation | [illegible] | 71,501 |
| Net profit | [illegible] | 64,002 |
| Dividends | 21,822 | 20,179 |
| Retained | [illegible] | [illegible] |
| Extraord. debit | — | 102,002 |

## Exchange gains boost for CCH

INCLUDING EXCHANGE profits of £226,063, Glasgow based brewers and soft drink manufacturers CCH Investments made a pre-tax surplus of £73,382 in the year to March 28, 1976 compared with a loss of £459,062 for 1974-75. In the first seven months profits had been £174,874 against £326,495.

As expected there is no dividend for the year but the directors say that a satisfactory profit is expected for the current year with a return to the dividend list.

After tax of £49,917 (credit £50,726), minorities of £3,693 (£760) and extraordinary debits of £105,159 (credit £384,833) there was a loss of £85,387 compared with £24,263.

| | 1975-76 £ | 1974-75 £ |
|---|---|---|
| Turnover | 3,117,020 | 4,765,000 |
| Divisional profits | | |
| Bermudan hotels | 16,842 | †19,913 |
| Belhaven brewery | 245,431 | 241,149 |
| Travel associates | 212,456 | 146,964 |
| Ceased activities: | | |
| U.K. hotels | 73,555 | 47,184 |
| Construction | 25,691 | 47,462 |
| Admin. expenses | 128,115 | 164,043 |
| Interest payable | 349,697 | 464,130 |
| Depreciation, etc. | 205,769 | 355,063 |
| Profits not realised | 3,954 | 8,496 |
| Exchange profits | 226,063 | — |
| Pre-tax profits | 73,382 | *459,062 |
| Tax | 49,917 | ‡50,726 |
| Minorities | 3,693 | 760 |
| Extraord. losses | 105,159 | ‡384,833 |
| Leaving loss | 85,387 | 24,263 |

† Profit. * losses. ‡ Credit

With the re-organisation now complete, operations are centred on brewing, travel and Bermuda hotel operations. Each activity is now showing improved profits, with brewery production 38 per cent. ahead in the first two months of the current year, and turnover in Bermuda some 32 per cent. ahead. The travel companies are likewise doing well. The net asset value per share is given at 77p.

### ● comment

CCH's three existing divisions are just 8 per cent. ahead at £440,000, before depreciation and interest. But the group reaffirms its intention to pay a dividend for 1976-77, and profits now look to be heading upwards at a more impressive rate. The extra brewing capacity is helping sales to rise sharply this year, the Bermuda hotels are being usefully turned round out of losses and the travel associates are apparently going to move ahead just as smartly for 1976-77. Borrowings are just as high as they were a year ago, but a large slice of short-term debt has been switched longer: and at 30p up 4p yesterday, the shares compare with a net worth last published at 77p.

## G. Ewer on target with £0.47m.

IN LINE with a forecast of not less than £450,000, pre-tax profit of George Ewer and Co. amounted to £467,000 for the year to January 3, 1976, compared with the depressed £367,000 for the previous year.

At halfway it was up from £210,000 to £259,000.

Turnover for the year advanced from £9.8m. to £12.39m., earnings per 10p share increased from 1.8p to 2.2p, and the dividend is lifted from 0.985p to 1.083p net.

| | 1975 £000 | 1974 £000 |
|---|---|---|
| Turnover | 12,774 | 9,500 |
| Pre-tax profit | 467 | 367 |
| Taxation | 228 | *177 |
| Net profit | 239 | 194 |
| Extraordinary credit | 5 | +5 |

* Adjusted. + Debit.

The business is that of motor coach operators and motor trade distributors.

### ● comment

George Ewer's 1975-76 performance has beaten the interim forecast by around 4 per cent. and put the group's full year profits within 7 per cent. of a full recovery to the 1973 peak of £500,000. Sales growth was beginning to ease in the second half of the year but better margins on the motor distribution side and the coach hire division, increased the rate of profits improvement during this period. The group reckons there is scope for a further increase in margins in the current year and with sales of both the motor distribution and transport divisions still on the upward trend, albeit at a slower pace than at this time last year, Ewer is expecting to be back in profits growth by the end of 1976-77. The shares at 22p, yield 7.9 per cent., covered twice.

## Polymark increases by £¼m.

GROUP PROFIT, before tax, of Polymark International expanded from £424,000 to £669,000 in 1975, after £220,000, against £167,000 for the first half, and the directors expect "further significant growth" for 1976.

They report that the early months of 1976 show improved figures over the corresponding months in 1975 and a lengthening order book, both at home and overseas, where more than 75 per cent. of the group's trading is carried out.

Turnover for the year increased from £5.62m. to £7.22m., earnings per 10p share rose from 6.22p to 11.1p, and the dividend is lifted from 1.4625p to 1.60875p net with a final of 0.804375p.

| | 1975 £000 | 1974 £000 |
|---|---|---|
| Turnover | 7,221 | 5,613 |
| Profit before tax | 669 | 424 |
| U.K. tax | [illegible] | [illegible] |
| Overseas | 230 | 161 |
| Minority interests | 26 | 7 |
| Profit on exchange | 100 | 24 |
| Balance | 464 | [illegible] |
| Dividends | [illegible] | [illegible] |
| Retained | 341 | 170 |

The company supplies machinery to laundry and garment manufacturers.

### ● comment

After the 32 per cent. pre-tax advance at mid-term, Polymark achieved higher growth in the second half for a full year increase of 58 per cent. Earnings per share, however, showed a 78 per cent. jump because of the £74,000 increase in exchange gains. Polymark benefited from the reinvestment programme being carried out by the laundry industry in the U.K. as well as the increasing demand for its Transtat garment labelling machines both at home and abroad, particularly in the U.S. This trend has continued into the current year and order books are about double what they were a year ago. Polymark has been able to meet the additional working capital needs out of cash flow and net borrowings have remained around the end-1974 figure of £1.0m: it should have no difficulty doing the same in the current year. At 32p, up 4p, the p/e is 2.8 and the yield 7.9 per cent., covered 6.9 times.

Sir James Hanson, chairman of Hanson Trust, who yesterday reported first-half 1975-76 profits up by 38 per cent.—mainly reflecting a first-time contribution from Carisbrook Industries—and forecast a substantial increase for the full year.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Atkins (Hosiery) | 2.12 | — | 1.87 | 2.99 | 2.75 |
| John Booth (Bolton) | 1.6 | — | 1.5 | 1.6 | 1.5 |
| Carless Capel | 0.9† | July 26 | 0.45 | 1.5 | 0.75 |
| George Ewer | 1.08 | July 30 | 0.65 | 1.08 | 0.90 |
| Hanson Trust ....int. | 2.5 | July 22 | 4.0(a) | — | 6.73 |
| Headlam, Sims & Coggins | 1.02† | — | 0.82 | 1.02† | 0.93 |
| Old Swan (Harrogate) | 0.47 | — | 0.44 | 0.8 | 0.74 |
| Polymark | 0.8 | Nov. 1 | 1.46 | 1.61 | 1.46 |
| Radiant Metal | 1.11 | — | 0.98 | 1.82 | 1.48 |
| Staflex | 1.7† | Aug. 9 | 1.1 | 2.9 | 2.22 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Included 3p first interim prior to one-for-one rights issue.

## Town & Comm. loan stock proposals

Town and Commercial Properties will not be able to put detailed proposals for an interest moratorium to its main loan stockholders before the next interest payment becomes due on June 30. The company is therefore asking the loan stock holders, at a meeting on June 29, to approve a resolution which allows non-payment of the interest providing the full moratorium scheme is presented to them by September 30.

The proposed scheme to avoid liquidation of Town and Commercial includes secured creditors on U.K. properties agreeing to accept the rents from properties on which they are secured instead of interest payments. Talks with 42 banks and institutions are proceeding.

No formal agreement has been reached, though Town and Commercial said yesterday that there were "no violent objections" to the plan. If and when such agreement is reached, loan stock holders will be asked to allow interest to be rolled up until December 1978.

The purpose of the June 29 meeting will be to get loan stock holders' agreement not to take proceedings, because of the breach of the Trust deed by non-payment of interest, for immediate repayment.

Non-payment of interest on the £20.5m. nominal 6¾ per cent. convertible unsecured loan stock 1983 would save the company £1.4m. a year. The stock was quoted yesterday at £9.50, unchanged on the day.

The resolution to the June 29 meeting requires a 75 majority of votes cast and would be binding on all holders. The quorum for the meeting is two or more people voting at least half the stock. If a quorum is not present then at an adjourned meeting two or more people controlling any amount of stock would be sufficient to accept or reject the resolution.

It is thought that institutions hold approaching half the stock of which Phoenix Assurance are trustees.

## Scottish European

Despite current uncertainties the directors of Scottish European Investment Company feel confident that markets during the next year or two will continue to provide opportunities for successful investment in most European countries, says the chairman, Mr. P. W. Turcan.

During the year to March 31, 1976, the investment holdings in France, the Netherlands and Belgium were reduced but the percentage in Germany, Switzerland, Austria and Scandinavia was increased.

Germany accounted for 21.8 per cent. of the portfolio, followed by France with 20.1 per cent. and the Netherlands 19.2 per cent.

Even allowing for uninvested cash the company estimates that at its year-end effective gearing amounted to 55 per cent. During the year the period of foreign currency borrowing agreement was extended and it is now able to cover its requirements until 1980.

Mr. Turcan says the company felt it prudent to reduce its overall representation in the French market, which until recently was its largest single area of investment. He adds that it is still too early to say what long term effect the relative weakening of the French franc against the stronger European currencies will have on investment prospects in France.

As reported on May 17, with net asset values, gross revenue for 1975-76 was £983,636 (£1,377,055), and the dividend is 1.1p net (same).

## PERCY BILTON

Commenting on a report that the chairman and certain directors of Percy Bilton had substantially reduced their holdings, a spokesman said yesterday that far from reducing their holdings, the directors had, on balance, increased their stakes.

"While the property sector in general has been in difficulties over the past couple of years, we have gone from strength to strength," he added.

## To-day's Company Meetings

Astbury and Madeley, Birmingham, 12. Averys, Warley, 12.15. Barlows, Manchester, 12. Berry Wiggins, Grosvenor House, W., 12. Burrell, Great Eastern Hotel, E.C., 11.30. Elbar Industrial, 20, Aldermanbury, E.C., 12. Empire Stores (Bradford), Bradford, 12. L.K. Industrial Investments, Isleworth, Middlesex, 11. Office and Electronic Machines, Winchester House, E.C., 12. Swires Investment, 70, Finsbury Pavement, E.C., 12. United Newspapers, 23-27, Tudor Street, E.C., 12.

## Estates House Investment

At the AGM of Estates House Investment Trust yesterday the chairman, Sir Peter Hayman, told shareholders that the board was "well aware" of the substantial discounts at which most investment trusts stand to-day and of the advantages to shareholders in realising something close to net asset value by unitisation or liquidation.

He added that everything the directors were doing, while preserving shareholders options, is consistent with an eventual decision to unitise or liquidate and a formal recommendation about the company's future will be placed before shareholders as soon as is reasonably possible.

The chairman explained that recent negotiations for a $2m. loan, which might suggest that the company intends to continue as a conventional investment trust, is essentially a short term operation designed to avoid the dollar premium market, which in no way prejudges the future.

Sir Peter Hayman added that the same applied to the decision since the year end to reinvest £10m. of the trust's liquid assets which was necessary, for technical reasons, to maintain the company's investment trust status.

The chairman also shed some light on the discrepancy between the net asset value per share as at December 31, 1975; as given in his letter of January 8, 1976 and the figure shown in the latest accounts. Of the difference between the two totals of 294p and 263p, about 40 per cent. was accounted for by an increase in tax provisions.

## Staflex looks for further rise

IN LINE with forecast, pre-tax profit of Staflex International increased from £1.89m. to £1.95m. in 1975, on a turnover up from £28.78m. to £33.12m.

And the directors foreshadow, in the absence of unforeseen circumstances, an advance in both turnover and profits for the current year.

This confidence is founded particularly on the continuation of the encouraging performance to date in the U.S. and the Far East, they state. The company makes fusible interlinings and equipment for the clothing industry.

The final dividend is the forecast 1.7p on capital increased by the March rights issue, raising the net total from 2.2235p to 2.9p. Earnings per 25p share were 9.1p (10.5p).

| | 1975 £ | 1974 £ |
|---|---|---|
| Group turnover | 33,123,046 | 28,780,799 |
| Trading profits | 3,256,705 | 3,128,975 |
| Interest charges | 1,301,741 | 1,394,312 |
| Sundry income | 101,917 | 159,197 |
| Share associates losses | 132,184 | — |
| Profit before tax | 1,954,697 | 1,893,860 |
| Taxation | 831,216 | 695,000 |
| Minority interest | 29,241 | 10,559 |
| Pre-acquisition profit | 39,703 | 2,568 |
| Net attributable | 1,054,537 | 1,185,735 |
| Extraordinary debits | 605,348 | 199,007 |
| Dividends | 409,334 | 256,107 |
| Retained | 39,855 | 730,621 |

Although it was a far from easy trading year both the interlining and machinery divisions gave a good account of themselves, the directors state.

More than 90 per cent. of profits in the interlining division were earned overseas and while there was a slight reduction in sales in Europe increases were recorded in more distant markets including the U.S. and the Far East.

The trading division in its first full year made a small contribution towards group profitability.

A major re-location of production activities was carried out in the U.K. and Holland. A policy was adopted of writing off, in 1975, 50 per cent. of the costs involved in this reorganisation with the balance being written off over the next four years, it was stated.

### ● comment

Staflex's small pre-tax rise on a 15 per cent. turnover increase was achieved thanks to a spurt in business in the final quarter and is in line with the forecast at the time of the March rights issue. Although the U.K. side is unchanged, the U.S. interests, which contributed some £24m. of total turnover last year, are increasing their profits with hopes of a further rise this year. This is reinforced by a projected elimination of start-up losses incurred in new interests in Singapore and Spain last year where profits are expected in 1976. Meanwhile, the full £1.27m. rights money has gone to reduce borrowings which totalled £7.4m. at the end of January. The shares at 48p yield 9.6 per cent. where the historic cover is 3 and the p/e 5.

## English & Overseas reshuffle

In a major Boardroom reshuffle the chairman and two directors of English and Overseas Investments have resigned from the Board, and there have been two new appointments.

Mr. D. H. Bayle, Mr. H. Cooper and Mr. C. F. Wyatt have left and Mr P. M. Locks and Mr. N. J. G. Sharp, a director of Sterling Industrial Securities which holds 26.6 per cent. of the E. and O. I. equity, have joined the Board.

Mr. S. N. Prevezer has been appointed managing director and Mr. Ole Christensen assistant managing director.

E. and O. I., the company once headed by Mr. John Bloom, chairman of the failed Rolls Razor washing machine company, incurred a loss of £1.5m. after tax and extraordinary items in the year ended March 31, 1975.

ISSUE NEWS

## Long tap

The Treasury is issuing £600m. of 13¼ per cent. Exchequer Loan 1996 at £94 per cent., payable in full on application. Application lists will open and close on Friday.

Interest on the Exchequer Loan is payable half-yearly on May and November 15, with the first payment of £5.70 per cent. next November.

The loan will be issued in the form of stock but on or after October 14 the stock may be exchanged into Bonds to Bearer in varying denominations from £100 to £50,000. No payment or fee will be necessary for conversion into bonds.

The prospectus will be advertised to-morrow.

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid Up | Latest Renunc. Date | 1976 High | 1976 Low | Stock | Closing Price p | + or − | Net Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | F.P. | — | £26¼ | £21½ | Berry Pacific Fd. US$1 | £24½ | −½ | 40c | — | 0.8 | [illegible] |
| $10,500 | F.P. | — | $10,600 | $8,500 | Brasilvest S.A. | $9,500 | — | — | — | — | [illegible] |
| [illegible] | F.P. | — | £24½ | £23 | Emhart Corp. US$1 | £23½ | −⅛ | $1.20 | — | 5.0 | [illegible] |
| 47 | F.P. | 9/7 | 48 | 41 | Wilson Walton 10p | 42 | +1 | [illegible] | 2.1 | 11.9 | [illegible] |

### FIXED INTEREST STOCKS

| Issue Price £ | Amount Paid Up | Latest Renunc. Date | 1976 High | 1976 Low | Stock | Closing Price £ | + or − |
|---|---|---|---|---|---|---|---|
| £98 | £10 | 26/8 | 9⅞ | 7½ | Birmingham (City of) 13% Red. Stock 1983 | 8½ | [illegible] |
| [illegible] | F.P. | [illegible] | 126 | 114 | Bowring (C.T.) 10% Conv. 1987 | 119 | [illegible] |
| [illegible] | F.P. | 4/6 | 100 | 99 | Chester Water 8% Red. Pref. 1981 | 99 | [illegible] |
| [illegible] | F.P. | 11/6 | 100¼ | 98½ | East Worcs. Water 8% Red. Pref. 1981 | 98½ | [illegible] |
| $100 | F.P. | — | 99¼ | 96½ | IAC 9¾% Notes 1981 | $97½ | — |
| $9800 | Nil | — | $99¼ | $99 | Lloyds Eurofinance Guar. Fl'tng N'ts 1983 | $99 | [illegible] |
| £98⅝ | £10 | 23/7 | 11¼ | 10 | Newcastle & Gateshead 8% Red. Pref. 1981 | 10 | [illegible] |
| $100 | Nil | | 101 | 100 | Royal Bank of Scotland Floating Rate 1985 | $101 | [illegible] |
| $100 | F.P. | — | 100½ | 99½ | Sandvik 9½% Bonds 1986 | $99½ | [illegible] |
| £95¾ | F.P. | 25/6 | £96½ | £94½ | Scottish Agric. Secs. 14% Deb. 1993 | £95 | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Sears Hldgs. [illegible] Conv. [illegible] | 62 | [illegible] |
| £99 | F.P. | 14/5 | 99⅞ | 99 | Sutton Dist. Water 8% Pref. 1981 | 99 | [illegible] |

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid Up | Latest Renunc. Date | | 1976 High | 1976 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|---|
| 350 | F.P. | 4/6 | 17/6 | 496 | 463 | Aust. & N.Z. Bank | 465 | [illegible] |
| 250 | F.P. | 28/5 | 25/6 | 294 | 277 | Bank of Ireland | 288 | [illegible] |
| C$14 | Nil | — | — | 16 | 13 | Bank of Montreal | 15½pm | [illegible] |
| 56 | Nil | — | — | 9 | 6 | Bejam Group | 8pm | — |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Renunciation date usually last day for dealing free of stamp duty. [illegible]

# Hanson ahead to £7.8m. after six months

GROUP PROFIT, before tax, of Hanson Trust increased from £5.67m. to £7.82m. in the half-year to March 31, 1976, on sales up from £32.47m. to £74.86m.

The half-year profit includes no contribution from the recently *acquired Hygrade Food Products* but shows a significant first contribution of £2.62m. from the new U.S. speciality products subsidiary, Carlsbrook Industries. Sales from that source amounted to £40.91m.

The chairman Sir James Hanson, predicts a substantial *increase in profit for the year.* The future is full of promise and the company will continue its strong performance, he says. Profit for the year to September 30, 1975, was £12.13m.

Earnings per 25p share increased from 5p to 6p. An interim dividend of 2.5p net is declared and the directors intend to pay the maximum permitted total. For the previous year a first interim of 2p, on capital prior to a one-for-one rights issue, was *followed by a second interim of* 1p and a final of 2.7274p.

| | Six months 1976 £000 | 1975 £000 |
|---|---|---|
| Agriproducts sales | 10,755 | 10,232 |
| Building materials | 8,159 | 5,828 |
| Construction equipment | 9,022 | 9,481 |
| Industrial services | 4,670 | 4,393 |
| Property | 1,299 | 2,214 |
| Specialty products | 40,913 | — |
| **Total sales** | 74,859 | 32,466 |
| Agriproducts profit | 2,642 | 3,408 |
| Building materials | 1,314 | 495 |
| Construction equipment | 515 | 501 |
| Industrial services | 339 | 309 |
| Property | 295 | 9 |
| Specialty products | 2,617 | — |
| Total profit | 8,208 | 5,217 |
| Interest* | 287 | †457 |
| Profit before tax | 7,821 | 5,676 |
| Taxation | 3,463 | 2,291 |
| Minority interests | 283 | 220 |
| Net balance | 4,076 | 3,173 |
| Fixed assets | 46,470 | 36,075 |
| Investments‡ | 1,990 | 1,179 |
| Net current assets | 55,551 | 29,531 |
| Loans | 42,011 | 11,636 |

* Less parent expenses. † Credit.
‡ Market value £2m. (£1.3m.).
Net tangible assets per share 17p (17p).

Growth continues across the board. In the U.S., the company will benefit from a full year's profit from Carlsbrook Industries which will make a significant first contribution to results. After two exceptional years, profit from Seacoast has resumed a more normal level, but the contribution this year will be extremely satisfactory, says Sir James.

The building materials division *has returned to its expected* higher profit level and reserve production capacity for further growth is available if demand continues.

The U.S. subsidiary, Hanson Industries Inc., formed only at the end of 1973 has already acquired several major American industrial interests with annual sales in excess of $600m. and, this year, will provide more than half Hanson Trust's profit. A highlight has been the recent acquisition of 94 per cent. of Hygrade Food Products Corporation, whose assets are included in the balance sheet which shows the increased loans in the U.S. *financing the purchase. Hygrade will make its first contribution to* profit in the second half of this year.

Liquidity and overall financial strength remain a major feature of the balance sheet, says the chairman.

Hanson Trust's present market size positions it in the top 100 quoted British companies. If Hanson Industries Inc. were a publicly quoted U.S. company, its projected 1976 sales would show it to be in the top 300 U.S. industrial corporations, Sir James adds.

The offer document for Hygrade reveals that Sir James Hanson has cut his beneficial shareholding in Hanson Trust by a half from 1.62m. shares to 810,000 shares since the end of the financial year *on September 30, 1975. His family* interests have also fallen from 505,032 to 437,939 shares. The price at which these transactions took place has not been disclosed but at yesterday's closing price of 137p would be worth well over £1m.

A spokesman for Hanson Trust referred yesterday to the purchase in 1973 of 1.55m. shares in Hanson from the Slater Walker Dual Trust by Sir James Hanson on behalf of his family and associates and explained that, including the 375,000 shares sold in 1974, the present reduction was intended *to meet* "personal and financial commitments."

**Statement Pages 22 and 23**
**See Lex**

# Better 2nd half for Atkins Bros.

GROUP PROFIT, before tax, of **Atkins Brothers (Hosiery)** decreased from £540,352 to £346,583 in the year to March 31, 1976, after a sharp downturn from £246,641 to £90,913 at halfway.

Considering the difficult year, the results achieved, although disappointing compared with last year, are reasonable under the circumstances. Prospects at the moment *look brighter* than they did a few months ago, the directors state.

*The dividend is raised from* 2.745p to 2.99p net per 25p share with a final of 2.115p.

| | 1975-76 £ | 1974-75 £ |
|---|---|---|
| Turnover | 7,181,501 | 6,958,865 |
| Profit before tax | 346,583 | 540,352 |
| Taxation | 178,349 | 287,007 |
| Net profit | 167,234 | 253,349 |

# Headlam Sims pays more

Footwear manufacturers, Headlam, Sims and Coggins achieved record profits of £138,100 for the year to January 31, 1976 compared with £127,528 for the previous twelve months and chairman Mr. R. B. Tibbs says that the results give cause for real satisfaction.

The dividend per 5p share is stepped up from 0.9235p to 1.0162p net, payable on capital increased by a rights issue in July. The cost is £20,324 (£13,857).

Tax for the year took £73,984 (£69,339).

The rights issue curtailed borrowing and enabled the company to carry out some capital investment.

Of goods manufactured, 10 per cent. were exported, says the chairman.

An "excellent" start has been made in the current year. Production and turnover are up on last year's figures and profit margins have been maintained despite the rigid application of the Price Code, he adds.

# Outlook at Hickson & Welch

IN HIS interim statement, the chairman of **Hickson and Welch (Holdings)**, Mr. T. Harrington, tells members that the improvement in trading conditions in the chemical industry has come somewhat earlier than expected and the results reflect this trend.

As reported on June 4 first-half *pre-tax profits rose from* £2.1m. to £3.01m., on turnover up from £20.99m. to £25.14m., and the interim dividend is lifted from 3p to 3.3p net. Last year's total was 8.45p paid from profits of £4.65m.

Mr. Harrington says it is difficult to predict whether the improvement will be maintained. But if the recovery continues second-half profit "should exceed that of the first."

# Lewis's Trust progress

Pre-tax profit of Lewis's Investment Trust increased from £9.07m. to £11.44m. in the year to January 31, 1976.

Turnover from the department stores expanded from £122.15m. to £146.6m., giving trading profits *of £11.36m. (£9.64m.), sales of food* manufacturers and distributors was £9.5m. (£4.15m.) and profit £0.67m. (loss £31,000). The ultimate holding company is Sears Holdings.

| | 1975-76 £000 | 1974-75 £000 |
|---|---|---|
| Departmental sales | 146 602 | 122,146 |
| Food, etc. | 9,504 | 4,151 |
| Departmental profit | 11,360 | 9,642 |
| Food, etc. | 672 | *31 |
| Interest charges | 791 | 1,019 |
| Non-trading credits | 198 | 494 |
| Pre-tax profit | 11,439 | 9,067 |
| Taxation | 6 051 | 4,986 |
| Dividends | 5,000 | 3,523 |
| Retained | 388 | 532 |

* Loss.

# Waterford Glass makes good start

AN ENCOURAGING start to the current year has been made at **Waterford Glass**, but chairman Mr. P. W. McGrath warns that if this situation is to continue, a reasonable stabilisation in the international currency situation and a reduction in the rate of inflation is necessary.

As already announced, the group recorded a 36 per cent. increase in pre-tax profits to £4.7m. in 1975. Sales were up 33.2 per cent. to nearly *£60m.* with earnings per share at 3.39p up 31 per cent. The total dividend is 22½ (20) per cent.

The profit improvement came almost totally in the latter part of the year and occurred in all the activities in which the group is involved, states Mr. McGrath.

*The group is in a "significantly stronger" position* he says, with the inclusion in the balance sheet of the £3.43m. surplus arising from a professional revaluation of certain fixed assets and £5.19m. from last year's rights issue. Increased retained profits and some refinancing of bank borrowings on medium- and long-term bases have also strengthened the position.

Assuming a special resolution to extend the objects clause of the memorandum of association is passed at an EGM and becomes effective, the directors intend to create and issue £759,723 of 11½ per cent. unsecured loan stock 1976-95 in exchange for and the subsequent cancellation of the like nominal amount of 11 per cent. loan stock 1975-95 in Smith Group.

At December 31 bank balances and cash totalled £4.24m. (£0.87m.). Bank overdrafts and short-term loans amounted to £3.69m. (£6.25m.).

A statement of source and use of funds shows an increase in net liquid funds of £6.8m. (£3.90m. decrease).

Dodder Investment Company holds 41.3 per cent. of the issued *Ordinary* capital.

## SPHERE MEETING

The meeting of Sphere Investment Trust will be held at Winchester House, E.C., on June 24 at noon. The venue of this meeting was incorrectly given last Friday.

# World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on June 7, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be *otherwise*. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without *reference* to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Afars & Issas | Djibouti Franc | 280(sg) |
| Afghanistan | Afghani | 98(A) |
| Albania | Lek | (O)10.10(A) (T)25.25(A) |
| Algeria | Dinar | 7.07 |
| Andorra | French Franc | 8.51¾ |
| | Spanish peseta | 118.40 |
| Angola | Angola Escudo | 54.25 |
| Antigua (S) | E. Caribbean $ | 4.80 |
| Argentina | Ar. Peso | (O)241.89 |
| Australia (S) | Australian $ | 1.4252 |
| Austria | Schilling | 32.45 |
| Azores | Portug. Escudo | 54.25 |
| Bahamas (S) | Ba. Dollar | 1.7282 |
| Bangladesh (S) | Taka | 27.40 (sg) |
| Bahrain (S) | Dinar | 0.692 |
| Balearic Is. | Spa. Peseta | 118.40 |
| Barbados (S) | Barbados $ | 3.4525 |
| Belgium | B. Franc | (cm)68.75 (fn)70.75 |
| Belize | B$ | 4.0 |
| Benin | C.F.A. Franc | 415⅞ |
| Bermuda (S) | Bda. $ | 1.75725 |
| Bhutan | Indian Rupee | 15.8359 |
| Bolivia | Bolivian Peso | 35.145 |
| Botswana (S) | S. A. Rand | 1.49785 |
| Brazil | Cruzeiro | 19.75 |
| Br. Solomon Is. (S) | Australian $ | 1.4252 |
| Br. Virgin Is. (S) | U.S. $ | 1.75725 |
| Brunei (S) | Brunei $ | 4.4710 |
| Bulgaria | Lev | 1.7559 |
| Burma | Kyat | 11.80 |
| Burundi | Burundi Franc | 160.61 |
| Cambodia | Riel | n.a. |
| Cameroun Rp | C.F.A. Franc | 415⅞ |
| Canada | Canadian $ | 1.71825 |
| Canary Is. | Spanish Peseta | 118.40 |
| Cape Verde Is. | Cape V. Escudo | 54.25 |
| Cayman Is. (S) | Cay. I. $ | 1.4555 |
| Cent. Af. Rp. | C.F.A. Franc | 415⅞ |
| Chad | C.F.A. Franc | 415⅞ |
| Chile | C. Peso | (Bk) 22.94 |
| China | Renminbi Yuan | 3.3755 |
| Colombia | C. Peso | (F) 59.60 |
| Comoro Is. | C.F.A. Franc | 415⅞ |
| Congo (B'ville) | C.F.A. Franc | 415⅞ |
| Costa Rica | Colon | 15.1125 |
| Cuba | Cuban Peso | 1.4256 |
| Cyprus (S) | Cyprus £ | 0.7239 |
| Czechoslov'ka | Koruna | (com) 10.50 (n/c) 20.90 (T) 18.26 |
| Denmark | Danish Krone | 10.77½ |
| Dominica (S) | E. Caribbean $ | 4.80 |
| Domin. Rep. | Dominican Peso | 1.75725 |
| Ecuador | Sucre | (O) 42.98 (F) 47.65 |
| Egypt | Egyptian £ | (O) 0.705 (T) 1.220 |
| Ethiopia | Ethiopian $ | (P) 3.6417 |
| Eq'l Guinea | Peseta | 118.40 |
| Falkland Is. (S) | Falkland Is. £ | 1.0 |
| Faroe Is. | Danish Krone | 10.77½ |
| Fiji Is. (S) | Fiji $ | 1.5965 |
| Finland | Markka | 6.860 |
| France | French Franc | 8.51¾ |
| Fr. C'tyin Af. | C.F.A. Franc | 415⅞ |
| Fr. Guiana | Local Franc | 8.51¾ |
| Fr. Pac. Is. | C.F.P. Franc | 151.227 |
| Gabon | C.F.A. Franc | 415⅞ |
| Gambia (S) | Dalasi | 4 |
| Germany (East) | Ostmark | 8(A) |

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Germany West | Deutschemark | 4.53¼ |
| Ghana (S) | Cedi | 1.9700 |
| Gibraltar (K) | Gibraltar £ | 1.00 |
| Gilbert & Ellice Is. (S) | Aust. Dollar | 1.4252 |
| Greece | Drachma | 62.8596 |
| Greenland | Danish Kroner | 10.77½ |
| Grenada (S) | E. Caribbean $ | 4.80 |
| Guadaloupe | Local Franc | 8.51¾ |
| Guam | U.S. $ | 1.75725 |
| Guatemala | Quetzal | 1.75725 |
| Guinea Rep. | Sily | n.a. |
| Guinea Bissau | ♥♥ | ♥♥ |
| Guyana (S) | Guyanese $ | 4.492 |
| Haiti | Gourde | 8.7862 |
| Honduras Rep. | Lempira | 3.545 |
| Hong Kong (S) | H.K. $ | 8.560 |
| Hungary | Forint | (com) 69.30 (n/c)(T) 40.45 |
| Iceland (S) | I. Krona | 331.10 |
| India (S) | Ind. Rupee | 15.4365 |
| Indonesia | Rupiah | 729.25 |
| Iran | Rial | (A) 121 |
| Iraq | Iraq Dinar | 0.5172 |
| Irish Rep. (K) | Irish £ | 1.00 |
| Israel | Israel £ | 15.3565 |
| Italy | Lira | 1,487 |
| Ivory Coast | C.F.A. Franc | 415⅞ |
| Jamaica (S) | Jamaica Dollar | 1.5674 |
| Japan | Yen | 528 |
| Jordan (S) | Jdn. Dinar | 0.570 (sg) |
| Kenya (S) | Ken. Shilling | 14.5391 |
| Korea (Nth) | Won | n.a. (g) |
| Korea (Sth) | Won | 851.27 |
| Kuwait (S) | Kuwait Dinar | 0.5046 sg |
| Laos | Kip | n.a. |
| Lebanon | Lebanese £ | n.a. |
| Lesotho | S. African Rand | [illegible] |
| Liberia | Liberian $ | 1.75725 |
| Libya | Libyan Dinar | (P) 0.5202 |
| Liecht'nstn | Swiss Franc | 4.31¼ |
| Luxembourg | Lux Franc | [illegible] |
| Macao | Pataca | 12.7525 |
| Madeira | Portug'se Escudo | 54.25 |
| Malagasy Rp. | MG Franc | 415⅞ |
| Malawi (S) | Kwacha | 1.5854 |
| Malaysia (S) | Malaysian $ | 4.4680 |
| Maldive Is. (S) | Mal Rupee | n.a. |
| Mali Rp | Mali Franc | 831¾ |
| Malta (S) | Maltese £ | 0.7481 |
| Martinique | Local Franc | 8.51¾ |
| Mauritania | Ouguiya | ♣ |
| Mauritius (S) | M Rupee | 12.3516 |
| Mexico | Mexican Peso | 20.54 |
| Miquelon | C.F.A. Franc | 415⅞ |
| Monaco | French Franc | 8.51¾ |
| Mongolia | Tugrik | (O) n.a. (g) (T) n.a. |
| Montserrat | E Caribbean | 4.80 |
| Morocco | Dirham | 7.78 (sg) |
| Mozambique | Moz. Escudo | 54.25 |
| Nauru Is. | Aust. Dollar | 1.4252 |
| Nepal | Nepalese Rupee | [illegible] |
| Netherlands | Guilder | 4.87 |
| Neth. Ant'les | Antillian Guild | 3.1465 |
| New Hebrides | Franc | 134.42 |
| | Aust. Dollar | 1.4252 |
| N. Zealand (S) | N.Z. Dollar | 1.7874 |
| Nicaragua | Cordoba | 12.11 |
| Niger Rp. | C.F.A. Franc | 415⅞ |
| Nigeria (S) | Naira | 1.1326 (sg) |
| Norway | Nrwg. Krone | 9.72¼ |
| Oman Sultanate of (S) | Rial Omani | 0.595 |
| Pakistan | Pkst. Rupee | 17.60 (sg) |
| Panama | Balboa | 1.75725 |
| Panama Canal Zone | U.S. $ | 1.75725 |
| Papua N.G. (S) | Kina | 1.4252 |

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Paraguay | Guarani | 215.28 |
| P'ple's D. Rp. of Yemen (S) | S. Yemen Dinar | (A) 0.56 |
| Peru | Sol | (ex/c)(A) 77.825 |
| Philippines | Ph. Peso | 13.0787 |
| Pitcairn Is. (S) | £ Sterling | — |
| | New Zealand $ | 1.7874 |
| Poland | Zloty | (O) 52.64 (T) 56.44 |
| Portugal | Port. Escudo | 54.25 |
| Port Timor | Timor Escudo | 54.25 |
| Principe Isle | ♥♥ | ♥♥ |
| Puerto Rico | U.S. $ | 1.75725 |
| Qatar (S) | Qatar Ryal | 6.95 |
| Reunion Ile de la | French Franc | 8.51¾ |
| Rhodesia | Pound ●● | n.a. |
| Romania | Leu | (cm) 8.56 (n/c)(T) 26.87 |
| Rwanda | Rwanda Franc | 170.75 |
| St. Christopher (S) | E. Caribbean $ | 4.80 |
| St. Helena (S) | £ Sterling | — |
| St. Lucia (S) | E. Caribbean $ | 4.80 |
| St. Pierre | C.F.A. Franc | 415⅞ |
| St. Vincent (S) | E. Caribbean $ | 4.80 |
| Salvador El | Colon | 4.51 |
| Samoa (Am.) | U.S. $ | 1.75725 |
| San Marino | Italian Lira | 1,487 |
| Sao Tome | ♥♥ | ♥♥ |
| Saudi Arabia | Ryal | 6.10 |
| Senegal | C.F.A. Franc | 415⅞ |
| Seychelles | S. Rupee | 15.55 |
| Sierra Le'ne (S) | Leone | 2.0 |
| Singapore (S) | Singapore $ | 4.32025 |
| Somali Rep. | Som Shilling | (A) 11.48 sg |
| Sth. Africa (S) | Rand | 1.49785 |
| S. W. Africa Territories (S) | S. A. Rand | [illegible] |
| Spain | Peseta | (h) 118.40 |
| Span. Ports in North Africa | Peseta | 118.40 |
| Sri Lanka (S) | S. L. Rupee | 15.5588 (sg)♦♦ |
| Sudan Rp. | Sudan £ | (A) 0.598 (sg) |
| Surinam | S. Guilder | 3.1465 |
| Swaziland (S) | Lilangeni | 1.49785 |
| Sweden | S Krona | 7.81 |
| Switzerland | Swiss Franc | 4.31¼ |
| Syria | Syria £ | (A) 6.50 sg |
| Taiwan | New Taiwan $ | (P) 66.775 |
| Tanzania (S) | Tan. Shilling | 14.545 |
| Thailand | Baht | 34.6875 |
| Togo Rp. | C.F.A. Franc | 415⅞ |
| Tonga Is. (S) | Pa'anga | 1.3865 |
| Trinidad (S) | Trin. & Tobago | 4.2204 |
| Tunisia | Tunisian Dinar | 0.736 (sg) |
| Turkey | Turkish Lira | 25.98 (bg) |
| Turks & Cs. | U.S. $ | 1.75725 |
| Uganda (S) | Ug. Shilling | 14.5391 |
| Utd. States | U.S. Dollar | 1.75725 |
| Uruguay | Uruguay Peso | (com) 5.51 (fn) 6.17 |
| Utd. A'b Emts. | U.A.E. Dirham | 6.825 |
| U.S.S.R. | Rouble | 1.33 |
| Upper Volta | C.F.A. Franc | 415⅞ |
| Vatican | Italian Lira | 1,487 |
| Venezuela | Bolivar | 7.53 (x) |
| Vietnam (Nth) | Dong | (O) n.a. (g) (T) n.a. (g) |
| Vietnam (Sth) | Piastre | n.a. |
| Virgin Is. U.S. | U.S. Dollar | 1.75725 |
| Western Samoa (S) | Samoan Tala | 1.6466 |
| Yemen | Ryal | n.a. |
| Yugoslavia | New Y Dinar | 31.6274 |
| Zaire Rp. | Zaire | 1.5042 |
| Zambia (S) | Kwacha | 1.19848 |

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

♦♦ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.0771 Rh. dollars to £1.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs. 5 to one unit of the new currency.

(x) General rate: oil and iron exports 7.3504.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles, the North Vietnamese dong at 0.306 roubles, and the North Korean won at 0.7493 roubles. With the pound standing at 1.33 roubles the following relationships could be calculated for the pound: £=5.91 tugriks: £=4.33 dongs: £1=17.75 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

~ Rate now based on 2 Barbados $ to the dollar.

. BCRA 430.38.

† Now one official rate.

(h) Following devaluation.

# British Aircraft's orders up at £850m.

A HIGH level of activity was maintained by **British Aircraft Corporation** in 1975 and the intake new orders, although lower than in the previous year, again exceeded the years sales of £307.13m., to leave orders in hand at £850m.: against £815m., the directors state.

Liquidity again improved with net cash balances rising from £28.4m. to £47.15m. These balances are, however, derived almost entirely from customers' advances and must be applied in due course to the execution of related contracts. Such advances are normally subject to strict guarantees and, until expended, must be kept in readily realisable form, the directors point out.

The substantial forward workload and improved profitability have been the justification for a further increase in investment in new buildings and plant at £7.4m. (£5.65m.) with a rise in outstanding authorisations from £4.42m to £8.58m.

Apart from Concorde, activity in commercial aircraft division was adversely affected by the worldwide depression in civil aviation and production of the BAC One-Eleven was kept at a low level. It was not possible to avoid a significant reduction in employment in this division but intensive effort is being maintained to find a basis for participation in new or improved projects in order to take advantage of the expected up-turn in civil aviation markets in the 1980's.

On nationalisation the directors state as the Bill has not yet been enacted and compensation cannot be quantified, they believed it is not possible to reflect the potential financial impact of the proposed legislation upon the company and the group.

As known profit, before tax, increased from £24.2m to £30m. in 1975.

## BARRO EQUITIES

The liquidator's report on **Barro Equities**, which was wound up in 1968, shows funds in hand at March 31, 1976, of £337,263 out of which ninth distribution of 7½p for each £1 share, requiring £39,000 was paid on April 27.

This made distributions to date £2.05 per share representing total distributed of £2,706,000 which accords, the liquidator states, with his original estimate of total distributions.

## John Booth expands to £228,713

STRUCTURAL and welding engineers, **John Booth and Sons (Bolton)** increased pre-tax profits from £141,983 to £228,713 in the year to March 31, 1976 after a rise from £51,595 to £98,256 in the first half.

Full year earnings are shown to have almost doubled at 11.06p compared with 5.59p and the dividend is lifted from 1.5p to 1.6p net per 25p share.

Turnover rose from £5.55m. to £5.57m. Tax takes £116,136 against £57,089 and minorities £15,706 (£5,817). The retained balance is up from £25,847 to £82,655.

## Lake View to resume growth

Within the limits set by international economic conditions as well as accounting and tax developments at home and the strict exchange controls, the directors of **Lake View Investment Trust** are hopeful that the upward progression of earnings and asset growth should be resumed, says the chairman, Mr. C. A. McLintock.

The increased involvement in the Japanese market helped in the rise of 34 per cent. in the net asset value per share last year—from 75p to 100.6p.

As reported on April 28, revenue before tax for the year ended March 31, 1976 amounted to £1.23m. (£1.32m.) with a net dividend of 1.65p (1.5).

At March 31, the investment currency premium represented 12.4 per cent. of total net resources and it has been included in the balance sheet valuation. The 1975 figures have been restated on this basis to make comparison easier.

London and Manchester Assurance Co. holds 28.2 per cent. of the Preference stock. Meeting, Winchester House (21st floor) E.C., June 29 at 11.30.

## Upturn in second half at Argus

PRE-TAX profit of **Argus Press Holdings**, controlled by BET, shows a £100,934 advance at £436,277 for 1975 after a fall from £239,300 to £165,800 at halfway.

Yearly earnings per 25p share are up from 3.07p to 4.37p and the final dividend is 2.25p for a 3.375p (2.5p) total. There is also a special dividend of 2.16745p (nil).

This year there is an extraordinary profit of £0.92m. from the sale of property.

| | 1975 £ | 1974 £ |
|---|---|---|
| Turnover | [illegible] | [illegible] |
| Pre-tax profit | 436,277 | 335,343 |
| Tax | [illegible] | 205,291 |
| Minorities | [illegible] | [illegible] |
| Extraordinary profit | [illegible] | — |
| Attributable | 1,085,138 | 113,697 |
| Retained | [illegible] | [illegible] |

The wholly owned subsidiary Argus Press reports a pre-tax profit for the year of £449,432 against £364,365. Tax takes £263,430 (£205,291) and minorities £4,936 (£5,237).

The attributable balance is £1,104,177 (£134,685) with £886,559 (£6,417) being retained. Earnings per share are shown at 9.84p (10.85p). The final dividend is 4.5p, making a total of 7.5p (0.5p); in addition there was a special dividend of 3.84615p (nil).

MINING NEWS

# A new deal proposed by British Columbia

BY KENNETH MARSTON, MINING EDITOR

AT LAST, signs are appearing of a more enlightened approach to the mining industry following the excesses practised by some overseas politicians who only began to understand the problems of the industry when its "fat profits" melted with the predictable fading of the 1974 metal price boom.

Australia's new Federal Government, for example, has just countenanced a relaxation of its foreign investment restrictions, realising that the huge cost of new mining developments needs to be shared by overseas partners. And in Canada, the recent Federal Budget has provided for the high risk expenses of exploration to be an allowable deduction against tax.

Now comes news that British Columbia's new Mines Minister, Mr. Thomas Waterland, has introduced the awaited Bill in the provincial legislature to repeal the previous administration's harsh royalty system which levied tax on the basis of metal prices alone.

The new Bill proposes a more sensible system whereby the mineral royalty will be replaced by a 17.5 per cent. tax on net mining income. Mr. Waterland said that for most operations a processing allowance would reduce the tax rate to an effective 14.8 per cent.

He pointed out that the addition of Federal income tax of 27 per cent. and British Columbia income tax of 15 per cent. would bring the maximum tax to 56.8 per cent. This is not a light burden, but at least it is fairer than the existing system which left the Rio Tinto-Zinc group's *Lornex* mine last year with crumbs of only $626,000 after provision for tax and royalty had wolfed $7.34m. of the earnings' cake.

## GENERAL MINING

In the official documents relating to the increase to 50.1 per cent. in the Federale Mynbou-General Mining group's holding of Union Corporation and the issue of 2.4m. shares of General Mining to Federale, it is stated that Federale and its subsidiaries will control 71 per cent. of General Mining.

Meanwhile, General Mining's indebtedness at May 31 is stated to have amounted to R18.13m. (£12.1m.), a far lighter burden than before the recent sales of investments. It is pointed out, however, that capital expenditure contracted and authorised, plus uncalled capital on investments, amounted to R50m. (£33.4m.). General Mining were £18¼ yesterday.

## Rustenburg: merger terms

AFTER a gestation period of some three weeks, during which dealings have been suspended in quoted shares of the companies involved, the terms are now announced of the proposed merger of the South African **Rustenburg Platinum** group holding companies. The merger vehicle is to be **Union Platinum** and not **Potgietersrust Platinums** as was earlier envisaged.

The terms which have now been agreed are: 215 shares in Union for every 200 Potgietersrust; 211 Union for every 200 **Waterval**. **Lydenburg Platinum**, which has a 29.59 per cent. stake in Waterval, says that it considers the Union-Waterval exchange terms to be fair.

At present the direct holdings in Rustenburg are: Union (37.29 per cent.); Potgietersrust (32.92 per cent.); and Waterval (29.79 per cent.). The brief statement adds that a request has been made to the Johannesburg and London stock exchanges to reinstate the various company share quotations with immediate effect.

## Eastern Tin

AFTER the bumper tin concentrate output achieved in April, Ayer Hitam's production last month was affected by the planned 12-day close-down for repairs to the No. 1 dredge. Even so, the total for the past 11 months of the current financial year is still well ahead at 3,591 tonnes compared with 3,048 tonnes in the same period of 1974-75.

Tronoh's latest production figure is the best so far reported this year, but the company's five-month total still lags at 846 tonnes against 1,090 tonnes. Sungei Besi's two-month total amounts to 178 tonnes against 380 tonnes while that for 11 months of Sungei Way comes out at 477 tonnes against 426 tonnes.

| | May Tonnes | Apr. Tonnes | Mar. Tonnes |
|---|---|---|---|
| Ayer Hitam | 492 | 611 | 482 |
| Sungei Besi | 94 | 84 | 154 |
| Sungei Way | 34 | 36 | 32 |
| Tronoh | 197 | 137 | 171 |

In the London Tin group, Southern Malayan continues to do well with an 11-month total of 2,310 tonnes against 2,078 tonnes while that of Malayan amounts to 2,219 tonnes against 2,975 tonnes. Tongkah Harbour, which recently suffered a three-month labour strike in Thailand, has produced 343 tonnes in the past 11 months compared with 551 tonnes in the same period of 1974-75.

The London Tin group's outputs are compared in the following table.

| | May Tonnes | Apr. Tonnes | Mar. Tonnes |
|---|---|---|---|
| Amal. of Nigeria | §197 | *155 | *201 |
| Aokam | 1,8 | 89 | 35 |
| Berjuntai | 361 | 397 | 310 |
| Kamunting | 49 | 44 | 85 |
| Kramat | 29 | 10 | 5 |
| Kuala Kampar | 27 | 26 | 19 |
| Lower Perak | 74 | 73 | 22 |
| Malayan | 215 | 230 | 241 |
| Sthn. Kinta Cons. | 109 | 191 | 235 |
| Sthn. Malayan | 199 | 175 | 285 |
| Tongkah Harbour | 35 | 29 | ‡ |

* Four weeks. § Five weeks. ‡ Does not include Thailand output.

The London Tin group also announces its permitted tin concentrate export quotas under the International Tin Agreement for the period April 1 to June 30, 1976. They are compared in the following table

| | March qtr. quota tonnes | Stocks at Mar. 31 tonnes | June qtr. quota tonnes |
|---|---|---|---|
| Austral | 342 | 307 | 327 |
| Berjuntai | 872 | 334 | 1,041 |
| Kamunting | 142 | 39 | 178 |
| Kramar | 80 | 17 | 93 |
| Kuala Kmpr. | 117 | 7 | 158 |
| Lowr. Perak | 74 | 33 | 90 |
| Malayan Tin | 486 | 99 | 787 |
| Sthn. Kinta (ex. Thild.) | 285 | 130 | 394 |
| Sthn. Malyn. | 331 | 342 | 804 |
| THAILAND | | | |
| Aokam | 121 | 22 | 304 |
| Sthn. Kinta | 43 | — | — |
| Tngkh. Hbr. | 50 | 11 | 119 |

The latest quotas allotted by the Thai Government are provisional only but are expected to be sufficient to cover production.

مكتبة الأصل



# Ocean Transport sees modest profit rise

DESPITE THE uncertain world economic situation Ocean Transport and Trading hopes to show a slight improvement this year, the chairman, Sir J. Lindsay Alexander, said at the annual meeting yesterday.

He told shareholders: "Ocean is a company in international trade, and so our horizons are broader than the U.K. and its problems. Our prospects as a company therefore are also better than they would have been as a simple U.K. trader.

"Six weeks ago I wrote that 1976 results should be broadly similar to those of 1975. In that short period you will not expect any great change in our outlook and indeed there isn't one. But there continues to be a steady accumulation of signs mostly pointing in the right direction so I can now say that our 1976 pre-tax profits should show a modest improvement over 1975."

Sir Lindsay said that there had been one significant development in South East Asia since the annual report. Negotiations for new arrangements for Ocean's Malaysia - Singapore - Australia trade were in an advanced state.

"If these are successfully completed, Australian National Line, Neptune Orient Line, and a new consortium composed of Straits Steamship (25 per cent.), Overseas Containers (Pacific) (25 per cent.) and Royal Interocean Line (50 per cent.) would each order a large and sophisticated roll on-roll off vessel (probably from Japan) for delivery in 1978 and operate them jointly in the Australia-South East Asia trade. (Straits Steamship is owned as to 50 per cent. by Ocean.)

The consortium vessel would be operated under the Singapore flag, managed by Straits and manned at least in part by sea staff from Ocean fleets. If this venture comes into existence Blue Funnel would cease to operate in this trade in its own right.

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

**TO-DAY**

**Interims:** Charterhouse Group, [illegible] Radiovision Services, Elson and Robbins, MEPC.

**Finals:** Atlantic Shipping and Trading, Bankers' Investment Trust, Chapman and Co. (Balham), Charter Consolidated, De La Rue, G.E.I. International, Hargreaves and Crossfield, Hill Samuel, Humphries Gibson, Johnson Matthey, McMullen and Sons, Metal Box, Midland Cattle Products, Ocean Wilsons, Pythow, Scottish, Cawley, United Engineering, Wedgwood.

**FUTURE DATES**

*Interims—*

Anglo-American Gold Investment ... June [illegible]
Durban Roodepoort Deep ... June [illegible]
East Rand Proprietary Mines ... June [illegible]
Guinness (Arthur) ... June [illegible]
Lindesteel ... June [illegible]
Rand Selection ... June [illegible]
Vaal Reefs Explorn. & Mining ... June [illegible]
Western Deep Levels ... June [illegible]

*Finals—*

Blyvooruitzicht Gold Mining ... June [illegible]
Bristol Evening Post ... June [illegible]
Charrington Gardner Locket ... June [illegible]
Crosby Spring Interiors ... June [illegible]
Marshall (Loxley) ... June [illegible]
National Carbonising ... June [illegible]
Pegler-Hattersley ... June [illegible]
Tiger Oats and National Milling ... June [illegible]
TPM ... June [illegible]
U.K. Optical and Industrial ... June [illegible]

* Amended

## Central Province to diversify

The directors of Central Province Ceylon Tea Holdings are considering diversification. They have been working on this question and have had a number of disappointments, they say.

Members are told that the task has not been made easier by the impossibility of assessing the assets that will be available in Sri Lanka until such time as compensation talks are finalised.

Plans are well advanced and it is hoped that more definite information will be available in the near future.

In their report the auditors say that the exact amount of compensation and accrued dividends which will be remitted to the U.K. cannot be determined accurately at the present time accordingly no adjustment has been made to the amount of £1,041,215 at which the investment in subsidiaries together with accrued dividends is stated at June 30, 1975.

On the basis of the compensation figure of £435,327 quoted in the directors' report a loss of £361,425 would arise. This would reduce shareholders' funds from £1,156,181 to £794,756. In addition to the extent that accrued dividends of £244,483 are not remitted to the U.K. the dividend receivable suspense is overstated and a further reduction to shareholders' funds will arise.

Bandanga Holdings are interested in 20.9 per cent. of the capital and Arbuthnot Latham Investments 11 per cent. Meeting, 38, Queen Street, E.C., on June 28 at noon.

## F. Shaw optimistic

The reported set-back at Francis Shaw and Co. could be smaller than anticipated by comparison with the profits of 1973, the chairman, Mr. C. B. Drover, told shareholders at the AGM.

Bearing in mind the company's excellent record for many years in export markets together with the number of overseas projects for which quotations were being issued this year, he believed the regularly improving trend in the group's profits since the set-back of 1972 should be resumed next year and the previous rate of growth maintained.

## Laird in strong position

YESTERDAY, at his first AGM as chairman of Laird Group, Sir Ian Morrow said despite substantial gains in the group's motor component business it is expected that without a marked and rapid improvement in steel profits group profits for the first half of 1976 were not likely to be as high as in the first half of 1975. The group's dividend remained strongly covered and the cash position was soundly based.

Steel selling prices had not risen with costs, in fact the selling price of steel was almost the same as it was 18 months ago. This meant that for the year to date the plant was operating at breakeven point. Any improvement during 1976 would depend on steel prices and on the general economic situation, he stressed.

Outside the areas of steel and companies scheduled for nationalisation, the group had developed quickly and was managing partly to counter the downturn in profits from steel.

For the first half of 1976 the profits in these companies were expected to be over 2½ times higher than in 1974. A large part of this improvement stemmed from the motor component business which had recovered rapidly, from the recession; from Metro Cammell which had recently announced a contract for the provision of rolling stock for the Tyne and Wear Rapid Transit System worth £25m., and from Cable Belt which most recently had taken a $7½m. order from the U.S., and had other major export prospects.

The steel company had just completed the installation of a new steel plant and this to date had been remarkably trouble-free. The new plant started earlier than the expected date and the costs, allowing for inflation, were within the estimates, Sir Ian reported.

BIDS AND DEALS

# Welfare's 80p per share for Keith & Henderson

Welfare Insurance is to bid 80p cash per share for property group Keith and Henderson. It currently holds 32.12 per cent. of the shares and has a £4m. loan to the company. The bid values Keith and Henderson at £5.4m.

The two sides have been involved in talks for two months aimed at producing an agreed bid. Though continuing their discussions there has been no agreement and Mr John Hackman, joint managing director of Keith and Henderson, last night described the terms as "quite unrealistic."

When news of talks between the companies leaked out in April, a statement was made that Welfare might make an offer at a "net asset value yet to be agreed." The May 1975 balance sheet of Keith and Henderson shows net assets of 121p a share.

The difference of opinion on asset valuation is thought to centre on the group's undeveloped sites, the Compton House office block in Bournemouth which is completed but unlet, the Cross Keys shopping development in Salisbury, and a housing project in Sevenoaks, Kent.

Welfare announced yesterday that its offer had been formulated on the basis of the "net asset value of K and H after taking into account the information which it has received on K and H's property portfolio and on which Welfare has received the advice of its professional valuers, [illegible] and Sons.

"It has also taken into account its 9[illegible] per cent. loan of £4m. to K and H, which is repayable in two equal instalments in 1982 and 1983, and the potential liability to capital gains tax if the properties were to be realised."

Welfare's loan, and an original 15 per cent. stake in K and H, was taken in 1972 when the insurance company was controlled by Edward Bates. A rescue bid for Welfare was later mounted by London and Manchester Assurance and the National Westminster Bank.

Since then it has had to ask for and be granted exemption from some provisions of the new insurance company regulations in respect of its [illegible] and H involvement. [illegible] reason for wishing [illegible] to take over the whole company was removed last week when London and Manchester [illegible] to buy out National Westminster's 49 per cent. stake in Welfare, thus making [illegible] wholly owned subsidiary.

Welfare's offer is subject to acceptance by 75 per cent. [illegible] number of K and H shareholders and 90 per cent. by value of the shares not already held by Welfare or such lesser percentage as Welfare may decide. It is also conditional on non-reference to the Monopolies Commission.

K and H [illegible] being advised by N. M. Rothschild and Sons and Welfare [illegible] Henry Schroder Wagg.

### JOPLINGS OFFERS £1.45M. FOR REST OF L. SHEPHARD

JOPLINGS, the Sunderland department store, is making an agreed bid for the outstanding [illegible] per cent. of L. Shephard, a company [illegible] running department store [illegible] including the provision of consumer credit facilities, for a cash consideration of £1.45m.

The shares that Joplings and its directors already own together with those committed by acceptances [illegible] amount in total to 47.[illegible] per cent. of the capital.

The terms of the offer [illegible] cash [illegible] for each 25p ordinary share in Shephards.

The net tangible assets of Shephards at January 31, 1976 attributable to the ordinary holders [illegible]. The audited [illegible] for the year to January [illegible] 1976 [illegible] before tax [illegible].

### DCM

At an extraordinary meeting of Dunbee-Combex-Marx holders voted in favour of the resolutions to acquire the toy interests in U.S., Canada and Hong Kong of the Louis Marx group and for the company to raise some £2.53m. after expenses by way of a rights issue of new Ordinary shares.

The rights issue will now [illegible] on the 1,586,276 new ordinary shares now being [illegible] commence (nil paid) on [illegible].

### ASTRA LIFTS CROSSLAND STAKE TO 26.6%

Astra Securities, the Midlands-based [illegible] and mechanical engineering company, has increased its stake in R. and G. Crossland from 18.5 per cent. to 26.6 per cent. of the capital following the purchase of two substantial blocks of shares from institutional holders.

The chairman of Astra, Mr. D. G. [illegible], said yesterday that he did not intend to make a further announcement until July 29 when he would be reporting on Astra's full-year results.

Crossland's share price closed [illegible] last night.

### UDT SELLS OFFSHOOT

United Dominions Trust, the largest recipient of support from the [illegible] lifeboat, has sold its subsidiary, United Dominions Trust (Channel Islands), to S. G. Warburg & Co. The company, whose name has been changed to S. G. Warburg & Co. (Jersey) has been purchased at net asset value of about [illegible].

### CRC PURCHASE

The CPC Group, a subsidiary of [illegible] and best known for its [illegible] market Computer [illegible] has [illegible] Quotel Insurance Services, [illegible] of QUOTEL, the computerised life and motor [illegible] quotation service.

### ASSOCIATES DEAL

[illegible] on June 4 [illegible] of associates of Gulf International (U.K.) sold 10,000 [illegible] at 51½p, 15,000 at 50p and bought 20,000 at 52p.

### SHARE STAKE

Brent Chemical announces that, as a result of the recent rights issue London Trust now holds 600,000 Ordinary shares (10 per cent.).

# More uncertainty over Hilmar Reksten's future

BY FAY GJESTER

UNCERTAINTY CONTINUES in Norway about the future of the Hilmar Reksten shipping companies, and Mr. Reksten himself.

The board of the state backed Loan Guarantee Institute for ships and drilling rigs, which is considering applications from the companies for loan guarantees totalling over half a billion Kroner has made some changes in the proposals for a re-organisation of the group's structure, put forward jointly by Reksten and his creditors.

It agrees, however, that a new company should be formed in which creditors would have a stake, and which would take over most of Mr. Reksten's ships. To-morrow, after the continental Whit week-end, the Board will continue its negotiations about the proposals with representatives of the group.

A new development over the week-end was the announcement by the Aker Shipbuilding Group that it was not prepared to reduce its claim on Reksten (amounting to some Kr.250m.) in return for a share in the proposed new company. Aker is one of Reksten's two largest creditors, the other being Hambros Bank of London. Aker said it did not want to be in the position of competing with other shipping firms which were customers for its ships.

The future of the company has been made more uncertain by rumours surrounding the investigations of the company's books. This examination is being conducted by the Bank of Norway and Inland Revenue officials and began in mid-May, with the co-operation of Hilmar Reksten himself. It is now reported in Oslo that the investigation has been interrupted after intervention by Hilmar Reksten who refused to allow the inspectors further access to company records. It is reported that the Bank and Revenue officials may seek to bring charges, alleging tax and currency violations, against Hilmar Reksten in order to enable them to continue their investigation.

# Kawasaki switches emphasis away from shipbuilding

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

KAWASAKI Heavy Industries will be cutting back its shipbuilding operations in the wake of the world crisis by switching employees mainly to its machinery division, said Mr. Kiyoshi Yotsumoto, president, while in London.

The group is looking for a 15 per cent. increase in sales this year after the 5.5 per cent. fall to $1.6bn. in the 12 months to end-March 1976 and should sustain that rate of progress for a few years at least. Before the oil crisis the group was pushing up turnover by 20 per cent. a year.

Last year shipbuilding accounted for 23 per cent. of sales whereas the machinery element was more than one third. Into the machinery division, Kawasaki has grouped its process plant business and the manufacture of hydraulic machines, construction equipment and such items as marine steam turbines and marine diesel engines.

Mr. Yotsumoto said it was hoped that the process plant business would prove to be a very good growth area which could mop up surplus shipbuilding employees. The group was also looking at ways it could adapt its shipbuilding expertise and capacity to the demands of offshore technology—techniques such as welding and dock assembly could be applied for example.

Kawasaki is also putting great emphasis on research and development in the search for new growth products. So far research and development spending is kept at 2 per cent. of sales: "we would like this to grow but spending is connected with potential profit, Mr. Yotsumoto maintained.

The group's capital expenditure is being cut from Yen17bn. (£32.6m.) to Yen16bn. (£30.7m.) in the current financial year.

Some 10 per cent. of Kawasaki's total borrowings has been raised in either the U.S. or the EEC. The percentage will grow but at the moment the group has no special plans to raise more cash.

Interest paid on total borrowings of Y300bn. (£577m.) last year was Y28bn. (£54m.) or an average rate of 9.3 per cent. But Mr. Yotsumoto insisted this was a misleading figure as there was such a wide spread of rates.

In a throw-away remark Mr. Yotsumoto revealed the typical Japanese industrialist's reaction to the fall in the value of sterling. The group would be reducing the yen price of the motor cycles it sells in the U.K. to compensate, he revealed.

Last year the U.K. took only 12,000 of the 270,000 motor cycles Kawasaki exported and its market share is very low. There are only 50 exclusive U.K. dealerships and these will be increased gradually.

Kawasaki also has a technical agreement with Rolls-Royce (1971) to develop a small-sized but large capacity gas turbine engine for domestic production. This is a tiny part of the total business but Mr. Yotsumoto said: "It is a growing field and, though we don't think all the prime movers of ships in the future will be gas turbine, it is important for us to continue development and the study of gas turbines."

# Danes order price cuts for Roche

By John Wicks

THE SWISS pharmaceuticals concern F. Hoffmann-La Roche has announced that its Danish subsidiary has been instructed to reduce by 20 per cent. the sales price for its Pyschopharmaceuticals "Librium" and "Valium," "as well as for other competitive products of the same type," by the end of this month.

Roche expresses surprise at this decision, which does not include a similar price reduction order for a corresponding product manufactured by the country's pharmacists and called "Kolpoxid Dak."

The investigation is said to have been under way for some time, although the Danish Health Board has found no reason to intervene and in a subsequent monopolies procedure Roche has been given little opportunity to present its case, says the company HQ in Basle.

The prices of these Roche products are said to have risen only marginally since their introduction in the early 'sixties and have, in view of inflation, fallen in real terms by about 60 per cent., Roche claims. The Danish prices for Librium and Valium are said to be the lowest in Scandinavia.

## Astra on target

ASTRA, the Swedish pharmaceuticals concern, reports a 20 per cent. climb in turnover to Kr.483m. (£61m.) during the first four months of the year. Foreign sales increased by 38 per cent., moving ahead of sales in Sweden, where the increase was only 1 per cent. Managing director Arne Wegerfelt is maintaining his forecast of an 18 per cent. growth in both sales and earnings this year writes William Dullforce.

## NJA deficit

NORRBOTTENS Jarnverk (NJA), the Swedish state-owned steel company, whose managing director resigned earlier this year in a controversy over the building of a new steel works, has run at a loss of some Kr.120m (£15m.) during the first fourth months of the year, according to reports from its north Swedish headquarters at Luleaa. Losses for the whole year are expected to reach Kr.250m. compared with Kr.180m. last year, writes William Dullforce.

Mr. Per Olof Boman, the new managing director, confirmed the report but declined to release the exact figures before a Board meeting next Friday. NJA, which has specialised in ship's plates and profiles, has been especially badly hit by the slump in shipbuilding and has had orders for more than 100,000 tonnes ship's plate cancelled. It has also been caught with fixed price contracts from 1974 and 1973.

# Further growth at Austria's No. 2 savings bank

BY PAUL LENDVAI VIENNA, June 7.

ERSTE OESTERREITHISCHE Sparkasse, the second largest Austrian savings bank, reports a 24.2 per cent. rise in the consolidated balance sheet total, which at the end of 1975 reached the record level of Sch.30.7bn. (about £960m.). Deposits were up by Sch.5bn. Savings deposits rose by over Sch.3bn. The growth rate of 18.1 per cent. was over the rate registered in 1974. At the end of 1975 total savings deposits surpassed the Sch.20bn. level.

The economic setback last year led in almost all sectors to a slackening of demand for commercial credit. The bank launched selective campaigns to promote consumer spending. With the slogan "New flats in old houses" teams consisting of bank officials, architects and municipal advisers were set up in the branch offices which helped to engender a boom in housing loans. The 10-year housing loan up to the limit of Sch.400,000 was a success. During the last year 39,000 new Giro accounts were opened at the bank.

A number of the so-called premium savings accounts (subject to four-year notice and receiving a State bonus) rose by 33,000 last year, a growth rate twice as high as that in 1974. Bond and insurance business was also active but credits expanded only by 11.6 per cent. compared to 1974.

As Director-General Dr. Friedrich Adamek stressed, gross earnings were up by 60 per cent. to Sch.247m. despite the growing pressure on profit margins. He firmly rejected the idea of a merger of the two major Viennese savings banks. The 70-year-old Dr. Adamek will be replaced officially at the end of the year (already, in fact, during the summer) by Dr. Hans Haumer, who is in his mid-thirties and has been deputy director-general since early 1975. Previously he was chief of the economic department of the Girozentrale, the umbrella institute of the savings bank and spent a spell at the IMF in Washington.

Another important personal change takes place at the Creditanstalt, Austria's number one bank where Dr. Franz Vranitzky, 38, hitherto an adviser to the Austrian Finance Minister, will be appointed this week by the supervisory board as deputy director-general. After long drawn out negotiations the Socialist Government agreed to prolong the contract of Dr. Heinrich Treichl, director-general since 1970 for 2½ years. As the majority of the capital is held by the Federal State, appointments to the Board are subject to Government approval.

Meanwhile the Intermarkt factoring company founded five years ago jointly by Erste Oesterreichisthe Sparkasse, Zentralsparkasse, Girozentrale Bawag and a provincial bank reports a 25 per cent. rise in turnover last year. Capital was increased by Sch.4m. to Sch.10m. Consolidated assets rose by Sch.67m. to Sch.378m. Net profits was Sch.486,000. A 6 per cent. dividend and a 2 per cent. bonus is paid for 1975.

# First quarter order shortfall at Ericsson

BY WILLIAM DULLFORCE STOCKHOLM, June 7.

THE FIRST quarter order intake by L. M. Ericsson, Sweden's multinational telecommunications group, was 20 per cent. down on the first three months of last year.

In the parent company's case the decline was 40 per cent. In the shareholders' report the Board had anticipated a 10 per cent. increase this year over the 1975 order inflow of Kr.8.7bn. (£1.1bn.).

Announcing the news of unexpectedly sluggish demand at the annual general meeting, Mr. Bjoern Lundvall, the managing director, said it would now be very difficult to achieve an improvement in the 1976 order intake.

He did not add to the earlier forecast of a 20 per cent. growth in group sales this year, which would take turnover close to Kr.8.7bn. Earnings last year were Kr.731m. (£92m.) compared with the 1973 top of Kr.840m. In the shareholders' report the Board declined to make a profit forecast for this year in view of the uncertain price and cost situation.

Mr. Lundvall said the recession was persisting longer than Ericsson had anticipated but was affecting its competitors as much. Telephone administrations were postponing many of the large orders the group had expected to receive at the beginnig of the year, but its success in winning the International competition for the French telephone system and the Nordic data network were a "satisfying test" of its strength.

The world telecommunications industry faced a couple of difficult years, in Mr. Lundvall's view. He underlined the importance of Ericsson's strategy in setting up manufacturing subsidiaries abroad, as telephone authorities operating a million apparatuses or more were now seeking to meet their requirements from local industries.

The free export market would shrink considerably between now and 1985. A substantial part of the parent company's exports of components and semi-manufactured parts was already going to manufacturing subsidiaries abroad and this trend would accelerate.

The annual general meeting approved an increase in the share capital from Kr.789m. to Kr.1,080m. (£137m.) through a one-for-six rights issue and a one-for-four bonus issue.

# Tax slices earnings rise at Afrox

By Our Own Correspondent

JOHANNESBURG, June 7.

AFRICAN OXYGEN'S interim report to March 31 shows a near 21 per cent. rise in turnover to R65.9m. and a boost in pre-tax profits to almost R5.8m. (R4.2m.). Tax unfortunately, incorporating a retroactive assessment for the recently imposed higher surcharge and loan levy, took virtually a 50 per cent. bite—almost R2.8m. (R1.8m.)—leaving just under R3m. (R2.5m.) attribute to equity. Earnings, discounting extraordinary items, translate to 10c (8.5c) and the mid-year payout has been boosted fractionally to 5.5c (5c).

The company reports that demand in the engineering sector (accounting for the major slice of Afrox's business) remained firm, largely to activity in the mining and capital goods sector. However, these latest figures are devoid of any real contribution from the group's Western Industries or Silicon Smelters subsidiaries.

Chairman Ian Mackenzie reports that "in view of the present high level of inflation, the directors considered it prudent to make provision against profits of R750,000 for the increased replacement cost of fixed assets." This move, in effect, shaves the net earnings figures to below 3c and no doubt accounts for the continued conservative dividend policy.

There is no indication from the directors as to what can be expected during the second half.

# Temperatures rise on the takeover scene

BY JAMES FORTH SYDNEY, June 7.

TWO CONTESTED takeover bids in Australia hotted up to-day. The electrical appliance group Vulcan industries, which is trying to acquire Braemar Appliances from Davleco Braemar Industries against stern opposition from National Consolidated, announced that it had purchased 28.8 per cent. of the capital of Davleco Braemar.

Before this development National Consolidated had the front running, as it had already signed a contract to purchase the Braemar division and had made a down payment of $A460,000.

In the other takeover fight A. V. Wehl and Adelaide Steamship Co. are locked in a fight for the timber group, Via.

With Adelaide Steamship holding almost 48 per cent. of Via's capital compared with Wehl's 35 per cent., a surprise element appeared when 9 per cent. of the capital changed hands on the sharemarket to-day at prices well above those previously offered by either party. Both sides disclaimed any knowledge of the buying and suggested "speculators" were to blame.

Davleco Braemar is due to hold a meeting of shareholders this Thursday to consider whether to ratify the sale to National. Vulcan announced its offer, which is worth about $A500,000 more than National's price of $A4.6m. at the last moment, which delayed the Davleco meeting, until this week.

Presumably Vulcan will use its newly acquired shareholding in Davleco to vote against the National deal. At the same time Vulcan is not sure whether it would be able to purchase the Braemar division as it is waiting on a ruling from the Trade Practices Commission. Vulcan makes a gas heater similar to Braemar's.

In the Via situation Adelaide Steamship was originally opposed by the Edward A. Green Charitable Foundation, which dropped out of the bidding when A. V. Wehl came up with a counter offer. The foundation has apparently agreed to offer its 28 per cent. stake in Via to Wehl. Adelaide Steamship originally offered $A1.20 for each Via share.

It has now been forced to lift its bid to $A1.45 to match the Wehl price. However, Wehl withdrew its formal offer and went into the market at $1.60 a share. To-day, however, the price leapt to $A11.83 with 9 per cent. of the capital changing hands. Both sides denied they had any part in bidding the shares to these prices and blamed speculators. As Wehl claimed it bought a large percentage of to-day's sales before the price jumped sharply, there can be very few shares left unaccounted for in Via. It seems that Adelaide Steamship and Wehl will have to do some talking to each other soon.

## Du Pont suit

THE JUSTICE Department has filed a civil antitrust suit charging E. I. Dupont de Nemours with using a co-operative advertising programme to suppress price competition among retailers of its Lucite brand paint.

The Department's antitrust division said the effect of the company's co-operative advertising programme — under which Dupont compensates retailers for money spent advertising Lucite paint—was to fix the minimum prices at which Lucite paint was sold by participating retailers during certain periods of each year.

## Panalpina advance

CONSOLIDATED turnover of the Swiss-based forwarding-agent and transport group Panalpina rose 22 per cent last year to Sw.Fr.1.55bn., writes John Wicks. After a 17 per cent. rise in the group's gross operating profits—which would have been one of 28 per cent. had exchange rates remained unaltered—net profits of the parent company Panalpina Welttransport AG, Binningen, were up to Sw.Fr.3.9m. (3.2m.), from which an unchanged 12 per cent. dividend is to be distributed on capital of Sw.Fr.20m.

# Brazil seeks to replace Nippon Steel

BY DAVID WHITE RIO DE JANEIRO, June 7.

BRAZIL is now actively looking for a new partner in a $1.8bn. steel mill at Itaqui, near the North Eastern port of Sao Luiz, to replace Nippon Steel.

Sr. Severo Fagundes Gomes, Minister of Industry and Commerce, said that Nippon Steel had asked to postpone a decision on the project for four years. This, the Minister said, was "practically a withdrawal" on the part of the Japanese company and gave the green light for negotiations to begin with other prospective partners.

The steel mill is planned in connection with a major iron ore development in the Surra Dos Carajas, in the Eastern Amazon region, where U.S. Steel, Companhia Vale do Rio Doce and various European and Japanese partners plan to exploit an 18bn. ton deposit of high-grade ore. Nippon Steel forms part of the Japanese consortium in the Carajas scheme, due to take a 10 per cent. stake, although final details are still under discussion by the Brazilians and Americans.

The 7m. metric ton production planned at the Itaqui mill will be geared entirely to export, assuming that Brazil reaches self-sufficiency in steel before 1980. Nippon Steel was to have shared the project with the Brazilian State holding group Siderbras.

The chairman of Siderbras, Genl. Americo da Silva, recently returned from discussions in Tokyo. He said that there were other prospective partners in the scheme, but did not say who these might be.

These statements come two months before the deadline originally given to Nippon Steel for a decision on Itaqui, and could thus be interpreted as pressure on the Japanes to commit themselves. Sr. Severo Gomes said it was still possible that Nippon would participate, although the chance was "remote."

* * *

THE BRAZILIAN Government has decided to nationalise a potassium mining project in the North Eastern state of Sergipe formerly belonging to the privately owned Lume group, which went into compulsory liquidation in April.

The decision, which still needs the token assent of Congress, is likely to add fuel to the growing debate about the large role played by state companies in the Brazilian economy. The Government has recently pledged to hand over some of its activities to private interests.

The potassium deposits will be taken over by the Government-controlled oil company Petrobras, whose exploration in the same area resulted in a conflict with the Lume subsidiary, Kalium Mineracao. The National Petroleum Council decreed in February, 1974, that Petrobras's oil activities should take priority, and work on the mine has been stopped since then.

It was widely supposed that the government would intervene in the mine project—not only because of the conflict with Petrobras, but also because of the technical difficulties involved — even before the business empire of Sr. Linaldo Uchoa de Madeiros began to collapse.

The Lume group held important property interests in Rio de Janeiro and Recife, which were also paralysed during the last months of the group's existence.

The government's decision still leaves open the possible participation of minority private interests alongside Petrobras, but such a solution was being discounted recently by officials of the Mines and Energy Ministry.



# Bad debts hit the "Big Six"

BY PETER DUMINY TOKYO, June 7.

BAD DEBTS struck Japan's major trading companies and meant generally lower profits from increased turnover in the 12 months ended March 31. Some of the "Big Six" also had their results dragged down by unsuccessful subsidiaries.

For the Six, aggregate sales were 1.2 per cent. higher at $126.3bn. and profits before tax and special items dropped by 31 per cent. to $269.5m., squeezing the average margin to 0.23 per cent. However, there seems to have been a considerable variation in accounting methods, and in some cases massive sales of marketable securities, which tend to make the figures meaningless and comparisons dangerous.

Mitsubishi appears to have performed strongly despite a 32 per cent. pre-tax drop to $81m. from sales of $30.5bn. ($31.3bn.). Among other items, it appropriated $74bn. to bad and doubtful debt reserves (which it claims was well in excess of actual bad debts) before striking this profit figure and took in no more than $3m. in profit from sales of securities. Against that, however, subsidiaries and affiliates yielded dividends of $106m. instead of $36m., suggesting there may have been some pressure on them to cough up.

On paper, the poorest result came from C. Itoh again, the house which in recent times has combined the strongest balance sheet with the weakest profit performances. This time trading profit is virtually unchanged at $134m., but that drops to $96m. (down 11 per cent.) after administrative expenses, including $24m. for bad and doubtful debts.

It is further reduced to $12m. by interest and other non-operating expenses (net), notwithstanding $11.7m. profit from sale of securities. That is the picture before non-recurring items.

Special items include write-offs of $95m. for loss making subsidiaries and some other classes of bad debt, partly offset by more profits from sale of securities ($22.5m.), sales of fixed assets and other items. The end result is a loss for the year of $19.2m. (previous year, earnings of $12.9m.).

C. Itoh claims to have made more drastic surgery than some competitors, some of which are writing off their bad debts in instalments.

Mitsui had a disappointing year, which presumably puts paid to any hopes of overtaking Mitsubishi in the near future. Sales were 8.6 per cent. lower than in 1974-75, at $26.3bn. pre-tax, there was a 59 per cent. decline to $50.6m. Earnings were $44.5m., but were arrived at after, among other things, profits of $36.3m. from sales of securities.

Marubeni's sales were 3.7 per cent. up at $19.2bn., pre-tax profits dropped 13 per cent. to $55.6m, and earnings were virtually unchanged at $29.7m.

Sumitomo remained in fifth place despite a 7.7 per cent. increase in sales to $18.3bn. and fully maintained earnings of $24.3m. pre-tax, there was a setback of 3 per cent. to $59.8m.

Nissho-Iwai reports a 25 per cent. drop pre-tax (to $30.3m.) and a 24 per cent. fall in earnings to ($14.6m.) on sales virtually maintained at $13.2bn.

## SELECTED EURODOLLAR BOND PRICES

### MID-DAY INDICATIONS

| STRAIGHTS | Bid | Offer |
|---|---|---|
| Aquitaine 10pc 1983 | 104 | 105 |
| Ashland 8pc 1987 | 97½ | 98½ |
| Australasia 8pc 1987 | 92½ | 93½ |
| BFCE 9½pc 1984 | 99 | 100 |
| CNE 9½pc 1985 | 99½ | 100½ |
| Conoco 8pc 1986 | 97½ | 98½ |
| ECS 9¼pc 1984 | 100½ | 101½ |
| EIB 9½pc 1985 | 101½ | 102½ |
| ERAP 9½pc 1983 | 101½ | 102½ |
| Esso 8pc 1986 Nov | 100½ | 101½ |
| Eurofima 8¼pc 1985 | 98½ | 99½ |
| Grances 9½pc 1985 | 101 | 102 |
| Massey 9½pc 1982 | 103½ | 104½ |
| Michelin 9½pc 1984 | 99½ | 100½ |
| MODO 9½pc 1983 | 100 | 101 |
| Newfdld. Labrador 9½pc '86 | 102½ | 103½ |
| New Zealand 9½pc 1982 | 102½ | 103½ |
| Norpipe 9½pc 1988 | 99½ | 100½ |
| Norsk Hydro 9½pc 1986 | 101 | 101¾ |
| Oslo 9pc 1988 | 99½ | 100 |
| Pacific Light 9pc 1988 | 93½ | 94½ |
| Prov. Quebec 9pc 1984 | 100½ | 101½ |
| Scanraff 9½pc 1988 | 99½ | 100½ |
| SFE 9pc 1983 | 100½ | 101 |
| Shell 8pc 1986 | 98½ | 99½ |
| Stand. Oil (Ind.) 8½pc 1983 | 103 | 103½ |
| Svenska Handels 9½pc 1986 | 100½ | 101½ |
| Volvo 9½pc 1985 | 101½ | 102½ |
| NOTES | | |
| Barclays 9½pc 1982 | 101½ | 102½ |
| British Gas 9pc 1981 | 100 | 100½ |
| Charb. France 8½pc 1981 | 98½ | 99½ |
| Denmark Mt Bk 9pc 1983 | 100 | 101 |
| ECS 8¼pc 1981 | 100½ | 101½ |
| EEC 8½pc 1982 | 97 | 97½ |
| Electricity Council 8¼pc '81 | 99½ | 100 |
| Montreal 9¼pc 1983 | 101¼ | 102½ |
| Nippon Steel 9½pc 1980 | 101½ | 102½ |
| Norway 8½pc 1981 | 101 | 101½ |
| Prov. Quebec 9pc 1981 | 100½ | 101½ |
| Seagram 9pc 1983 | 101 | 102½ |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¾pc '87 | [illegible] | [illegible] |
| Ashland 5pc 1988 | [illegible] | [illegible] |
| Beatrice Foods 4¼pc 1992 | 96½ | 98 |
| Beatrice Foods 4½pc 1992 | 109 | 111½ |
| Borden 5pc 1992 | 97 | 99 |
| Broadway Hale 4¼pc 1987 | 75½ | 77 |
| Canon Camera 7pc 1989 | 146 | 148 |
| Carnation 4pc 1987 | 77 | 79 |
| Chevron 5pc 1988 | 115½ | 117½ |
| Dart 4¾pc 1987 | 78 | 79½ |
| Eastman Kodak 4½pc 1988 | 112½ | 114½ |
| Economic Labs. 4½pc 1987 | 76 | 78 |
| Fed. Dept. Stores 4¾pc '85 | 107 | 109 |
| Firestone 5pc 1988 | 89½ | 90½ |
| Ford 5pc 1988 | 99 | 100 |
| Ford 5pc 1988 | 85 | 87 |
| General Electric 4¼pc 1987 | 85½ | 87½ |
| Gillette 4¾pc 1987 | 75½ | 77½ |
| Gould 5pc 1987 | 91 | 92 |
| Gulf and Western 5pc 1988 | 99 | 101 |
| Harris 5pc 1992 | 95 | 97 |
| Honeywell 6pc 1986 | 92½ | 94½ |
| ITT 4½pc 1987 | 74½ | 76 |
| Komatsu 7½pc 1990 | 105 | 106½ |
| J. Ray McDermott 4¾pc '87 | 144 | 146 |
| Mitsubishi Elec. 7½pc 1991 | 104 | 106 |
| Mitsui 7½pc 1990 | 100 | 101½ |
| J. P. Morgan 4½pc 1987 | 112½ | 114½ |
| Nabisco 5½pc 1988 | 91 | 93 |
| Owens Illinois 4½pc 1987 | 101 | 103½ |
| J. C. Penney 4½pc 1987 | 79½ | 81½ |
| Pioneer 6pc 1988 | [illegible] | [illegible] |
| Revlon 4¾pc 1987 | 97 | 99 |
| Reynolds Metals 5pc 1988 | 85 | 87 |
| Sperry Rand 4¾pc 1987 | 95½ | 97½ |
| Squibb 4½pc 1987 | 74½ | 76½ |
| Texaco 4¾pc 1988 | 74½ | 76½ |
| Toshiba 6½pc 1992 | 109 | 111½ |
| Union Carbide 4½pc 1982 | 120 | 122 |
| Warner Lambert 4½pc 1987 | 82 | 84 |
| Warner Lambert 4¼pc 1988 | 79 | 81 |
| Xerox 5pc 1988 | 77 | 79 |

Source: Kidder, Peabody Securities.

# Third quarter gains by Gulf and Western

Financial Times Reporter

GULF AND Western Industries has announced net third-quarter earnings of $57.3m., an increase of 54 per cent. over the comparable outcome for last year of $37.3m. Third-quarter sales rose by just over a third, from $659.2m. to $888m.

For the year so far, Gulf and Western now shows earnings ahead by roughly 50 per cent. at $150.1m. ($101.5m.), on sales which have risen from $1.9bn. to $2.53bn.—a gain of 3 per cent.

These figures, however, reflect the benefit of contributions from new acquisitions, notably Kayser-Roth Corporation. On an adjusted basis, net sales and other revenues would fall to $810m. and $2.37bn. for the three and six-month periods, respectively. But, adds Gulf and Western, net earnings would not have been materially affected.

Gulf and Western has also decided to extend its tender offer for Signal Company's Common stock until June 11. The offer was originally intended to expire on June 4.

Gulf is offering to buy 3.9m. Signal shares at $19.72 per share. So far, the offer has met with a lukewarm reception from the holders of Signal Common stock and tenders for only 30,000 shares have been received.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

# Further 5.8 loss on prime rate rise

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 7.

FURTHER LOSSES were recorded on Wall Street to-day, when the prime interest rate boost to 7¼ per cent., started by Citibank on Friday, spread through most of the Banking industry.

The Dow Jones Industrial Average dipped another 5.81 to 958.09 and the NYSE All Common Index lost a further 26 cents to $52.52, while losses outpaced gains by a near three-to-one majority. But hte trading volume decreased 1.45m. shares to 14.51m.

Some selling was also attributed to new doubts about the fiscal viability of the City of New York.

In the day's economic news, the U.S. Commerce Department said business plans to increase spending on plants and equipment 7.3 per cent. this year from last year, and the Federal Reserve reported that consumer instalment credit rose again in April, although the increase was smaller than the previous month's.

Morrison-Knudsen dropped $8½ to $19½—it was the prime contractor in the construction of Idaho's Teton Dam, which collapsed over the week-end.

Bulova Watch reacted $1¼ to $9 on some changes in "top" management.

Du Pont were down $2½ to $145¾. Eastman Kodak $1½ to $96½. Digital Equipment $2½ to $153½. General Motors $1¼ to $66½. General Dynamics $1½ to $58¾. McDonald's $1¼ to $52½. Burlington Northern $1½ to $42½. and Cone Mills $2 to $43¾.

However, some Banking issues rose. Citicorp were up $1¼ to $34¾ and J. P. Morgan $1¼ to $60¾.

Bandag climbed $1½ to $19½ on a report that it appears to have an "excellent" chance at a solid profits gain next year.

Anderson Clayton moved up $1 to $39½ on its raised quarterly dividend to 40 cents (30) per share.

Steels were narrowly mixed.

United Nuclear moved ahead $2½ to $27 on a Press report on forecasts of a fuel shortage for U.S. nuclear plants in a decade or two.

The American SE Market Value Index fell 0.34 to 101.36, while declines led advances by 435 to 170.

Olla Industries slumped $3¾ to $5—its headquarters was destroyed by fire last week.

Presley eased $¾ to $11½, but Houston Oil and Minerals gained $1½ to $60¼.

Syntex picked up $¾ to $27½ on new prescriptions written for its anti-inflammatory drug, Naprosyn.

### MONDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Philips Dodge | 247,300 | 4[illegible] | [illegible] |
| Southern Co. | 217,700 | 14½ | — |
| General Motors | 217,200 | 66½ | −1¼ |
| McDonald's | 182,800 | 52½ | −1¼ |
| Continental Oil | [illegible] | [illegible] | [illegible] |
| Free. S.S. | 140,000 | [illegible] | — |
| Texaco | 137,200 | [illegible] | [illegible] |
| Gulf Oil | [illegible] | 26 | — |
| Robins A. H. | 122,100 | [illegible] | — |
| First Charter | 103,100 | 17 | [illegible] |

## OTHER MARKETS

### Canada again lower

With the exception of Base Metals, which rose 0.72 to 89.49 on index, Canadian Stock Markets also lost further ground yesterday.

The Industrial Share Index dipped 1.31 to 189.21. Golds 0.29 to 300.62. Western Oils 3.80 to 234.96. Utilities 0.36 to 142.87. Banks 2.69 to 243.05 and Papers 0.54 to 122.59.

Among Western Oils Bow Valley Industries dropped $1¾ to $22¾ ad Dome Petroleum fell $1½ to $41.

Moore gave way $1¾ to $41¾ and Bank of Nova Scotia eased $¼ to $48¼.

Alcan Aluminium rallied $¼ to $24¾, after falling nearly $2 on Friday on news of labour problems at its smelters.

Markets in the following countries were closed yesterday for Whit Monday:— Austria, Belgium, Denmark, France, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland and West Germany.

MILAN—Easier at the day's lows on profit-taking.

Bonds were quiet but fairly steady.

HONG KONG—Mixed in light trading. Most investors were cautious because of the lacky of encouraging economic news both locally and overseas.

Hong Kong Bank moved up 20 cents to $HK18.00. Hong Kong Telephone 10 cents to 19.70 and China Light 10 cents to 20.20.

Hong Kong Land were off 5 cents to $HK6.70. Wheelock "A" 2½ cents to 2.20 and Hong Kong and Kowloon Wharf 10 cents to 16.00.

TOKYO—Market closed higher in fairly active trading on sustained selective demand, although the uptrend was curbed by late profit-taking. Volume 260m. shares.

Electricals and Consumer-Related shares attracted interest.

Petroleums were also higher.

Also moving higher were Foods, Oils, Cements, Paper-Pulps and Steels. Cement and Newsprint Producers are said to be seeking price boosts.

Light Electricals and Motors fell.

Wacoal rose Y50 to Y1,470, Mitsukoshi Y13 to Y473 and Isetan Y20 to Y375.

Housing rose, Hasegawa Komuten added Y28 at Y1,380, and Sekisui Prefab Y30 at Y1,380.

Toa Nenryo moved up Y25 to Y564. Koa Oil Y23 to Y568. Ito Ham Y19 to Y526, and Murata Y70 to Y1,090.

Renown put on Y31 to Y679 on plans for a new stock issue listed in London.

Matsushita Kotobuki were down Y31 to Y2,070. Kyoto Ceramic Y30 to Y4,190. Pioneer Y20 to Y3,190, and Sansui Electric Y19 to Y641.

JOHANNESBURG—Gold shares were easier in quiet trading.

Coppers lost ground, with Messina 5 cents off at R410.

Mining Financials were also lower

Industrials were quietly steady.

AUSTRALIA—Markets closed easier in lacklustre trading.

Bank of NSW fell 10 cents to $A5.90 on disappointment at the Rights issue announced on Friday. Other Financials also declined.

BBP rose 8 cents to $A7.76 against the general trend, and ICI gained 1 cent to $A1.71 after announcing higher half-year profits.

Tooth shed 3 cents to $A1.70 and CSR fell 9 cents to $A4.42.

GMK rose 3 cents to 43 cents in marked contrast to the falls in Gold issues.

In Mines Bougainville eased 1 cent to $A1.41.

## Colombian farm exports likely to double

BOGOTA, June 7.

COLOMBIAN INTERIM Agriculture Minister, Sr. Joaquin de Pombo, has forecast that of farm products this year to $2,000m., mainly on higher coffee and cotton prices.

This compares with overall exports worth $1,413m. in 1975.

He told the annual Cotton Growers Assembly here that increased export income had placed Colombia on the threshold of economic take-off.

Cotton export prices had claimbed to 70 cents a lb., from 40 cents in 1974, while coffee prices stood at $1.70 per lb compared with 50 cents in 1974.
Reuter

## Workers' co-op for small new Cumbria plant

A WORKERS' co-operative of 14 members, including one woman, is being set up to run a new business, an engineering and structural fabrication factory, at the unemployment black spot of Cleator Moor, Cumbria.

The idea is that of Mr. Jack Miller, Cumbria County Council's Small Business Advisory Officer. A 2,500-square-foot factory has been earmarked for the co-op.

# Sterling improves

Sterling gained ground sharply against the U.S. dollar and other major currencies yesterday afternoon, following news of a standby credit facility for the U.K. of $5bn. from the Group of Ten, the world's major industrial countries plus Switzerland, together with the Bank for International Settlements. The announcement of the vote in favour of the Government-TUC pay agreement by the National Union of Mineworkers also pushed the pound higher in late dealings.

Sterling opened at $1.7210-1.7230 and was steady between $1.7225 and $1.7250 throughout the morning and early afternoon. After the terms of the credit facility were announced the pound moved up sharply to around $1.7550 and improved further to a best level of $1.7590-1.7610 after the miners' vote. At the close sterling stood at $1.7565-1.7580, a gain of 4.05 cents on the day.

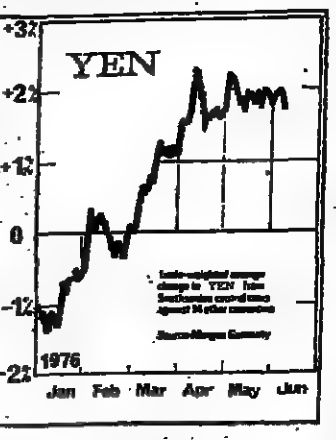
The pound's trade-weighted average depreciation, as calculated by the Bank of England, narrowed to 39.8 p.c. from 41.2 p.c., after standing at 41.1 p.c. at noon and 40.9 p.c. in early dealings.

Trading was fairly quiet during the morning, because most European centres were closed for a public holiday.

The U.S. dollar was weaker against most major currencies, and its trade-weighted average depreciation since December 1971, as calculated by Morgan Guaranty of New York, widened to 1.30 p.c. from 1.03 p.c. on Friday.

The Swiss franc was fairly steady, closing at Sw.Frs.2.4575 against the dollar, compared with Sw.Frs.2.4550 previously.

Gold gained $1 to close at $127¼-128. The krugerrand's premium over its gold content widened to 3.62 p.c. from 3.45 p.c. for domestic delivery, and narrowed to 3.23 p.c. from 3.65 p.c. in international dealings.




### SPECIAL DRAWING RIGHTS RATES

| One SDR is equal to | June 7 | June 4 |
|---|---|---|
| Sterling | 0.662403 | 0.66479 |
| U.S. dollar | 1.14132 | 1.14071 |
| Belgian franc | — | 45.3090 |
| Deutsche mark | — | 2.94018 |
| French franc | — | 5.40098 |
| Italian lire | 967.812 | 966.723 |
| Japanese yen | 348.795 | 342.612 |
| Dutch guilder | — | 3.12440 |
| Swedish krone | — | 5.08385 |
| Swiss franc | — | 2.79189 |

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

### EXCHANGE CROSS-RATES

| June 7 | Frankfurt | New York | Paris | Brussels | London | A'sterdam | Zurich |
|---|---|---|---|---|---|---|---|
| Frankfu't | | 2.5815-35 | 54.47-53 | 6.482-500 | 4.42-43 | 94.06-12 | 105.15-25 |
| N. York | 38.87-89 | | 21.12-14 | 2.520-523 | 1.7700-772 | 36.56-58 | 40.62-64 |
| Paris | 183.45-65 | 4.725½-739½ | | 11.906½-951 | 8.129-155½ | 172.70-3.15 | 193.40-80 |
| Brussels | 15.40-43 | 39.71-74 | 8.48-40 | | 68.22-36 | 14.48-51 | 16.22-29 |
| London | 4.51½-52½ | 1.7565-80 | 8.31½-32½ | 69.65-85 | | 4.80½-81½ | 4.31½-32½ |
| Am'rd'm | 106.285-295 | 2.737½-740½ | 57.88-93 | 6.898-903 | 4.7105-55 | | 112.075-125 |
| Zurich | 94.86-96.15 | 2.450-455 | 51.69-84 | 6.16½-15 | 4.2025-2140 | 89.37-59 | — |

U.S. $ in Montreal U.S. $=97.88-97.90 Canadian cents
Canadian $ in New York C$=102.14-16 U.S. cents. U.S. $ in Milan 847.50-848.25
Sterling in Milan 1485.00-1470.00 (c) Closed Whit Monday.

### EURO-CURRENCY INTEREST RATES*

| June 7 1976 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | W. German mark | Swiss franc |
|---|---|---|---|---|---|---|
| Short term | 11⅝-12¼ | 5¼-5⅝ | 8¼-8¾ | 5⅜-5⅝ | 3⅝-3⅞ | 5⅝-7⅛ |
| 7 days notice | 11¾-12⅛ | 5⅜-5⅞ | 9-10 | 5⅜-5⅝ | 3⅝-3⅞ | 5⅝-7⅛ |
| Month | 11½-11⅞ | 5¾-6¼ | 8½-8¾ | 5⅝-5⅞ | 3⅝-3¾ | 1⅛-1½ |
| Three months | 11⅞-12¼ | 6⅛-6⅜ | 8½-9¼ | 6-6¼ | [illegible] | 1¼-1⅞ |
| Six months | 12⅛-12⅝ | 6⅝-7⅛ | 8⅝-9⅞ | [illegible] | 4⅜-4½ | [illegible] |
| One year | 13¼-13⅝ | 7⅜-7⅞ | 8⅝-9⅞ | 6⅞-7⅛ | 5¼-5¼ | [illegible] |

Euro-French deposit rate: two-day 7½-7¾ per cent.; seven-day 7½-8¼ per cent.; one-month 9¼-9¾ per cent.; three-month 10¼-10¾ per cent.; six-month 10½-11½ per cent.; one-year 10¾-11 per cent.

Longer-term Eurodollar deposits: two years 8-8½ per cent.; three years 8½-8¾ per cent.; four years 8½-8¾ per cent.; five years 8¾-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5⅞-5⅞ per cent.; three months 6¼-6⅜ per cent.; six months 6⅝-6¾ per cent.; one year 7⅛-7¼ per cent.

* Rates are nominal closing rates.

* Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-days' notice for guilders and Swiss francs.

### GOLD MARKET

| | June 7 | June 4 |
|---|---|---|
| Gold Bullion (a fine ounce) | | |
| Close | $127¼-128 | $126¼-127 |
| Opening | $126½-127 | $126½-127¼ |
| Morning fix'g | $127.00 (£73.602) | $126.60 (£73.517) |
| Afternoon fix'g | $127.10 (£73.656) | $126.60 (£73.690) |
| Gold Coins, domestically | | |
| Krugerrand | $131¼-133¼ (£74¾-75¾) | $130-132 (£75¾-76¾) |
| New Sov'r'gns | $46½-48½ (£26½-27½) | $45¾-47¾ (£26¾-27¾) |
| Old Sov'r'gns | $43-45 (£24½-26½) | $42-44 (£24¾-26¼) |
| Gold Coins (Intern'naly) | | |
| Krugerrand | $130¾-132¾ (£74½-75½) | $130¼-132¼ (£76-77) |
| New Sov'r'gns | $46½-48½ (£26½-27½) | $46¼-48¼ (£27-28) |
| Old Sov'r'gns | $40¾-42¾ (£23¼-24¼) | $40½-42½ (£23¾-24¾) |
| $20 Eagles | $209-212 | $208½-211½ |
| $10 Eagles | $105-108 | $105-108 |
| $5 Eagles | $73½-76½ | $73½-76½ |

### FOREIGN EXCHANGES

| June 7 1976 | Bank Rates % | Market Rates Day's spread | Close |
|---|---|---|---|
| New York | 5½ | 1.7210-1.7610 | 1.7565-1.7580 |
| Montreal | 8½ | 1.6855-1.7220 | 1.7175-1.71[illegible] |
| Amsterdam | 4 | 4.71-4.82 | 4.80½-4.81½ |
| Brussels | 7 | 68.2-69.90 | 69.65-69.85 |
| Copenh'gen | 6½ | 10.56-10.79 | 10.77-10.[illegible] |
| Frankfurt | 3½ | 4.45-4.53 | 4.51½-4.52½ |
| Lisbon | 6½ | 53.00-54.40 | 54.15-54.[illegible] |
| Madrid | 7 | 117.1-118.70 | 118.30-118.[illegible] |
| Milan | 12 | 1,461-1,488 | 1,486-1,[illegible] |
| Oslo | 5 | 9.54-9.75 | 9.71½-9.72½ |
| Paris | 8 | 8.14-8.33 | 8.31½-8.32½ |
| Stockholm | 6 | 7.65-7.82 | 7.80½-7.81½ |
| Tokyo | 6½ | 515-530 | 527-532 |
| Vienna | 6 | 31.70-32.8 | 32.[illegible] |
| Zurich | 2½ | 4.21-4.35 | 4.31½-4.32½ |

* Base discount. ‡ Given rates are for convertible francs. Closing financial franc 70.65-70.85.

### OTHER MARKETS

| | |
|---|---|
| [illegible] | [illegible] |

Based on rates quoted by special dealers. * Rate given is Official SCBRA Rate.

### FORWARD RATES

| | One month | Three months |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

Six-month forward U.S. dollar [illegible] pm and 12-month [illegible] pm.

## Indices

### NEW YORK—DOW JONES

| | June 7 | May 14 | May 13 | May 12 | May 11 | May 10 | 1976 High | 1976 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrials | 958.09 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 1011.02 | 858.71 | 1051.70 | 41.22 |
| Home Bonds | 87.51 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Transport | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 229.51 | 175.69 | 279.88 | 13.23 |
| Utilities | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 163.32 | 10.58 |
| Trading vol 000's | 14,510 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | | | |

| | June 4 | May 14 | May 7 | Year ago (approx) |
|---|---|---|---|---|
| Ind. div. yield % | 3.94 | 3.77 | 3.72 | 4.59 |

### STANDARD AND POORS

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrials | 110.75 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 114.57 | 101.64 | 134.64 | 3.52 |
| Composite | 99.95 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 105.51 | 90.90 | 125.85 | 4.40 |

| | May 12 | May 5 | April 28 | Year ago (approx) |
|---|---|---|---|---|
| Ind. div. yield % | 3.36 | 3.44 | 3.33 | 3.65 |
| Ind. P/E Ratio | 13.94 | 13.68 | 13.85 | 10.75 |
| Long Govt. Bond yield | 7.59 | 7.60 | 7.58 | 8.00 |

### N.Y. S.E. ALL COMMON

| June 7 | June 4 | June 3 | June 2 | 1976 High | 1976 Low |
|---|---|---|---|---|---|
| 52.52 | 52.78 | 53.29 | 53.35 | 56.20 | 37.06 |

| Rises and Falls | June 7 |
|---|---|
| Issues Traded—1,839 | Up—392 |
| Down—1,050 | Same—397 |
| New Highs 12 | New Lows 62 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| MONTREAL Industrial | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| MONTREAL Combined | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| TORONTO Industrials | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| JOHANNESBURG Gold | 218.7 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| JOHANNESBURG Industrial | 212.5 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| | June 7 | Previous | 1976 High | 1976 Low |
|---|---|---|---|---|
| Australia | [illegible] | [illegible] | [illegible] | [illegible] |
| Belgium | [illegible] | [illegible] | [illegible] | [illegible] |
| Denmark | [illegible] | [illegible] | [illegible] | [illegible] |
| France | [illegible] | [illegible] | [illegible] | [illegible] |
| Germany | [illegible] | [illegible] | [illegible] | [illegible] |
| Holland | [illegible] | [illegible] | [illegible] | [illegible] |
| Hongkong | [illegible] | [illegible] | [illegible] | [illegible] |
| Italy | [illegible] | [illegible] | [illegible] | [illegible] |
| Japan | [illegible] | [illegible] | [illegible] | [illegible] |
| Singapore | [illegible] | [illegible] | [illegible] | [illegible] |
| Spain | [illegible] | [illegible] | [illegible] | [illegible] |
| Sweden | [illegible] | [illegible] | [illegible] | [illegible] |
| Switz'rl'd | [illegible] | [illegible] | [illegible] | [illegible] |

## OVERSEAS SHARE INFORMATION

### NEW YORK

| Stock | June 7 | June 4 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

Investment premium based on $2.60 per £1—113% (116½%).

### CANADA

| Stock | June 7 | June 4 |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

† Asked. § Traded. ‡ New stock.

### GERMANY ♦

| June 4 | Price Dm. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| A.E.G. | 91 | −0.1 | — | — |
| Allianz Versich. | 406 | −1 | 17 | 2.0 |
| B.M.W. | 244.7 | −0.2 | 18 | 3.9 |
| BASF | 163.6 | +0.6 | 14 | 4.4 |
| Bayer | 158 | −1.7 | 17 | 6.0 |
| Bayer Hypo. | 280 | −1 | 20 | 3.6 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### AMSTERDAM

| June 4 | Price Fls. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### MILAN

| June 7 | Price Lire | + or − | Div. Lire | Yld. % |
|---|---|---|---|---|
| Alcala Pref. | 600 | −1 | — | — |
| ANIC | 561.5 | −6.5 | 60 | |
| Assicur. Fin. | 3,540 | −80 | 120 | 3.7 |
| Bastogi | 866 | −14 | 70 | 7.7 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### BRUSSELS/LUXEMBOURG

| June 4 | Price Frs. | + or − | Div. Net | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### PARIS

| June 4 | Price Frs. | + or − | Div. Frs. | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### SWITZERLAND

| June 4 | Price Frs. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### COPENHAGEN

| June 4 | Price Kroner | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### VIENNA

| June 4 | Price % | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### AUSTRALIA

| June 7 | Aust. $ | + or − |
|---|---|---|
| Acrow Australia | †0.78 | |
| Adelaide Brighton Cement | †1.15 | |
| Allied Mng-Trdg. Indus. | †1.80 | |
| Ampol Exploration | †0.80 | |
| [illegible] | [illegible] | [illegible] |

Source Nikko Securities, Tokyo.

### TOKYO ¶

| June 7 | Prices Yen | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### STOCKHOLM

| June 4 | Price Kronor | + or − | Div. Kr. | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### OSLO

| June 4 | Price Kroner | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### JOHANNESBURG

#### MINES

| June 7 | Rand | + or − |
|---|---|---|
| Anglo American Corpn. | [illegible] | [illegible] |
| Charter Consolidated | [illegible] | [illegible] |
| East Driefontein | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |

#### INDUSTRIALS

| | | |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

### SPAIN ♥

| June 4 | Per cent |
|---|---|
| [illegible] | [illegible] |

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax. [illegible]

Following its successful introduction in Chicago, share option dealing is likely to come to London. Margaret Reid reports

# City on threshold of options market

A POTENTIALLY major new investment activity in the shape of a market in traded share options may well be launched by the Stock Exchange Council to-day and become a reality in the City next spring.

Settling whether to give the go-ahead to the project—which would enable investors not only to acquire options to buy shares in future at pre-determined prices, but to deal in the options themselves—will be one of the Council's most crucial decisions for some time.

A successful U.S. experiment in option trading, framed in a way claimed to avoid the old dangers of speculative excess in option activity, has rapidly quickened international interest in such markets. In the City, where considerable excitement has been aroused, the majority view is that the venture will be approved.

The £2m. scheme — which would be run jointly with a European one in Amsterdam, and would start on a modest scale covering some 15 leading stocks—will be closely modelled on that begun in April, 1973, through the Chicago Board Options Exchange. The operation would be managed by a clearing house of the Chicago type which would handle the mechanics of trading and effectively guarantee that contracts would be carried out.

The fact that the Chicago enterprise—launched when the U.S. stock market was in the doldrums—has been a notable success has stimulated hope among British stockbrokers that a similar scheme might boost flagging London investment activity.

Terry Kirk

Mr. N. P. Goodison, Chairman of the Stock Exchange Council, which is considering the project for options dealing.

Any plan for options trading has to meet the objections traditionally levelled at earlier limited moves in this field that it could encourage undesirable speculation, may allow gamblers to over-extend themselves and may open the way for market rigging. After all, option activity was illegal two centuries ago and it was banned in the recent war and post-war period. The Stock Exchange Council, considering the project, under its new chairman, Mr. Nicholas Goodison, at a time of unsettled political, economic and currency conditions, will have to allow for such criticism, though the existing limited London activity in untraded options has not been specially controversial.

The Chicago experiment—the first try-out of a highly organised, supervised and active trading market in share options—has been generally reassuring for potential objectors, largely because it has been closely regulated against abuse. One of the main safeguards has been the *restriction of option trading* to a limited number of leading stocks—at first 32, now more than double that—to exclude risks that the underlying market in the relevant shares might be manipulated in the interests of option traders. *The central* Options Clearing Corporation and its rules are designed to see that investors are neither cheated by a failure to fulfil deals nor are readily able to act beyond their resources.

A number of advantages are claimed for an exchange where options can be readily bought and sold at all times at known prices, through an organised "secondary" trading market. In essence, the case is that it widens the investor's range of choice for apportioning risks and hopes of reward, and provides a valuable new instrument of investment management. While in some contexts people use it to venture a little on the long-odds chance of a big gain, they may also employ it protectively to guard against risks.

For instance, options which can be easily handled considerably extend investors' ability to *counter* the risk of a stock market movement in one direction or another by taking an option which would produce an offsetting benefit.

Somebody who held no shares, but who did not want to miss *out should* the stock market jump higher, could buy an option to acquire shares at to-day's price and make a profit by exercising it if the shares rose by more than enough to cover the option cost. This could be done with much less outlay than buying the shares themselves.

On the other hand, the owner of a portfolio of shares who wanted protection against the risk of falling share prices might *sell* an option, which would leave him with the option money as some compensation for the shrinkage of his portfolio if prices fell and the option was not exercised.

There are, of course, a *great many investment policies* involving options. All could generally be expected to be more popular when options could be dealt in an active secondary market, with option price quotations and clearing house supervision, rather than in the restricted options activity, without an options exchange, that is now possible in London and tends to concentrate on second-line stocks.

*Another use of options is to* give the holder of a "safe" gilt-edged or fixed-interest portfolio of investments the spice of an interest in an upsurge in the share market — should one take place — for a far smaller outlay than buying the shares. This is somewhat akin to the small man's speculation by purchasing a call (buying) option when he has not the cash to acquire the shares.

*One of the claims in the U.S. is* that the Chicago options market is efficient in making option dealings cheaper than under old-style conventional non-traded activity. It will be important to know how economically commission charges will be fixed under the London scheme to secure a balance between the need to attract business and to bring stock market firms much-wanted new revenue.

The plan for the London options market is closely based on that for Chicago and would allow options to be arranged in certain blocks of shares for exercise over up to three, six or nine months, on standardised conditions facilitating ready market trading.

The scheme being considered by the Stock Exchange Council to-day is no hastily assembled one. It is the subject of a lengthy report, recommending the venture and prepared over the past year by a committee headed by Mr. Dundas Hamilton, a deputy chairman of the Exchange, with Mr. Peter Durlacher as its full-time consultant. Mr. Durlacher has visited Chicago several times and has also maintain close touch with the Amsterdam Exchange, which has a parallel scheme already agreed which, added to the London venture, would establish the nucleus of a European options exchange.

It is envisaged that there would be two trading floors, one in London and one in Amsterdam, each with its local governing body, but with a multi-currency common clearing corporation on the Chicago model. This clearing house, which would have computer equipment for quotations and settlement, would stand between the seller (writer) and buyer of options and ensure that bargains were honoured.

The London market would be closely associated with, though distinct from, the Stock Exchange itself, since not all the latter's members would want to participate, and would have a trading floor somewhere in the City, but outside the Exchange's own building. Capital costs are thought likely to be £2m. in total, with *perhaps* £1m. to be found initially. The venture is intended to be self-financing—an important point since the Stock Exchange itself is heavily committed to a £15m. computerised settlement scheme.

London would start trading in options related to shares of 15 major companies—doubtless *including ICI, Shell, BP and* GKN—and would later extend this to around 30. Amsterdam would also begin with 15 stocks, increasing to at least double that number of leading Dutch and other European issues.

## European

Already a lot of pressure for the extension of option trading has built up in stock market communities around the world, following the Chicago success. Just how rapidly matters are now moving is shown by the fact that, within a week of the London decision in principle on the matter, a major gathering *of European bourses is planned* on the subject. Representatives of all Stock Exchanges on the Continent, as well as those of London and Amsterdam, have been invited to a meeting on June 16-17 to discuss the formation of a European Options Association, related to the British-Dutch plans.

Other interest in option trading has already been reflected in a study for the New York Stock Exchange—the dominant U.S. market—which has confirmed its feasibility, and in a start on such trading on the American Stock Exchange and two other U.S. exchanges. The idea has also been taken up in Canada and Australia.

Even though market rigging and other abuses seem likely to be excluded by the present scheme, whether option trading would be an unnecessary frivolity or would have a destabilising effect on the main stock market will have to be carefully weighed. On the latter point, there is the question whether London would impose any restriction, parallel to that prescribed by the U.S. Securities and Exchange Commission, on the number of options that can be held in a stock by a person or persons acting in concert.

A key question calling for an answer is will there be a real demand for the new service in Britain, where the personal and professional investors who dominate the Chicago market are relatively less significant. In the U.S., the institutions, such as insurance and pension funds, have played a comparatively small—though growing—part in options activity. It seems highly relevant to know whether their powerful British counterparts want and would be able and willing fully to use the facility. *Some City men say institutions* here would use an options market more than in the U.S. and that foreign investors are very much interested too.

# Nuclear referendum in the Californian crucible

From LLEWELLYN KING, San Francisco

CALIFORNIA DOES not have the intellectual establishment that makes New York a unique American resource, but it does have a sense of liberation that has made it the crucible for new ideas. Just as its strawberries and tomatoes grow unusually fast and large in the fertile soil and indulgent climate, so ideas, movements, religions, sects, lifestyles and trends flourish along the Pacific.

One of the latest enthusiasms to blossom is for a referendum on whether the State shall forbid further nuclear power stations.

California, rather than New York, is the nursery for American social change. It has fathered supermarkets, the casual dress code, the geodesic dome, drive-in banks and superhighways. Because all the forces that make up the California mix have had different periods of ascendancy, the state has steered an erratic course.

What is certain about California is that what takes place there generally creeps slowly across the U.S. until, five years after it is tried in California, it is accepted thinking nationwide. For these reasons, it is no surprise that California should be putting nuclear power on trial to-day and it is with well-founded apprehension that the nuclear industry and the Federal Government are watching the outcome.

The so-called Nuclear debate in the U.S. is nearly 10 years old and it has grown progressively in scope and ferocity to its most critical level in California. Initially, the opposition to civilian nuclear power in America—where 9 per cent. of electricity generation is now from nuclear plants—was confined to concerns near proposed power plants. This centred on the procedure for licensing a nuclear plant, a public, quasi-federal hearing. But at the beginning of the decade, the local environmental and consumer groups which opposed nuclear plants on safety grounds began to coalesce into a national federation of "anti-nukes."

The battle began when Mr. Ralph Nader became the titular head of the opposition to nuclear power. He brought with him a network of individuals — mostly young people and intellectuals—who gained wide experience in combating official policy in the opposition to the Vietnam war and in the environmental movement.

## Sponsors

There now are hundreds of organisations which to some extent are opposed to nuclear power. They vary from the conservation-oriented Sierra Club to Another Mother for Peace, a hangover from the anti-Vietnam war struggle. Many other anti-nuclear groups have been formed under a variety of often-misleading names such as Union of Concerned Scientists; Businessmen in the Public Interest, the Natural Resources Defense Council and even the Isaac Walton League.

The opposition has become so institutionalised that it has its own publications and sponsors an annual convention in Washington called *Critical Mass*. Initially, all those groups advocated various reforms such as prohibiting the release of pollutants and revised operating procedures to overcome alleged deficiencies in systems like emergency core cooling. (In U.S.-type light water reactors this is the ultimate safety mechanism for preventing the melting of fuel in a reactor, in the remote event that it should lose all its cooling fluid.)

As the anti-nuclear movement grew in power and sophistication, it became more political, and to a great extent has succeeded in making limited nuclear growth a tenet of liberal philosophy. As it also broadened its attack, the nuclear industry began to feel its impact through long licensing delays resulting in increased costs, and through a series of time-consuming court cases. With the polarisation of the nuclear debate along political lines, opposition to nuclear power has become an act of faith for the left-wing in American politics and as such, only the very largest philosophical issues are raised. These involve the morality of creating nuclear wastes and of promoting a technology that would lead to the proliferation of nuclear weapons in the Third World.

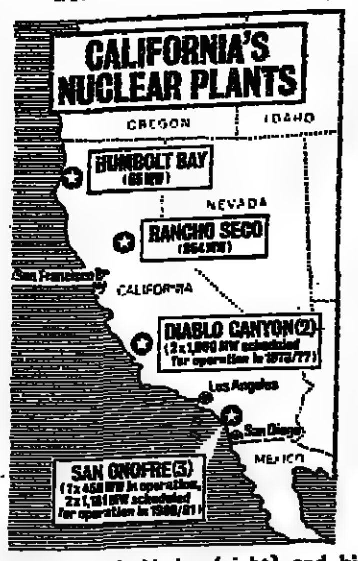
But it took the inventiveness of California to find a device that might stop in its tracks the entire development of the atom. This device is called Proposition 15.

To by-pass corrupt legislatures, certain western states decided in the early part of the century to allow issues of controversy to be settled by referendum. These referenda are known as "initiatives" and their eligibility for the ballot is determined by a petition process based on a percentage of the registered voters. A group of California nuclear opponents had the idea of deciding the nuclear issue through referendum and they were successful in getting a question on to-day's ballot, known as Proposition 15 because of its numerical place on the paper.

Proposition 15 purports to be a nuclear safety measure, but its opponents — the California electrical utilities and the nuclear industry—claim categorically that it is designed to bring about a nuclear shutdown. Proposition 15, if enacted, would give the nuclear industry five years to prove to the satisfaction of two-thirds of the State legislature that nuclear power plant safety systems would work properly in the case of an emergency, and that foolproof waste disposal mechanisms have been designed.

If two-thirds of the legislature is not convinced of this, then a reduction in permitted output of existing power plants—three in operation, totalling 1,500 MW—by 10 per cent. a year would begin immediately.

To its supporters—such as Mr. David Pesonen, a San Francisco public interest attorney—the initiative represents nothing more than "an attempt in California to get some legislative control over decision making." He regards the text of the initiative as a "compromise between those who would prefer an immediate nuclear moratorium and those who want to leave the option open until certain questions are resolved."




Mr. Ralph Nader (right) and his latest targets: sites of existing nuclear power stations in Northern California and uncompleted stations further south.

To the opponents—such as Mr. Charles Winner, whose Los Angeles public relations firm, Winner-Wagner, was retained last May by the utilities and nuclear vendors—the initiative is simply a crude attempt to produce a complete nuclear shutdown immediately. Any effort to pass it off as something else, in Winner's words, is "nothing but pulling the wool over the voters' eyes."

The pro-nuclear forces have waded into the battle with money—$3m. up to last week—while the opposition had more relied on volunteers, working door-to-door. Money for the pro-nuclear forces has been generated by the nuclear industry throughout the U.S. Some of it has come from major manufacturing companies, which fear that a slowdown in economic growth might result from an arrest in the development of electricity supply. Most of the pro-nuclear money has gone into radio and TV advertising with a well-organised campaign reaching a crescendo last week. The anti-nuclear forces, with an original estimated war chest of under $1m, also bought air time, but less of it and over a shorter period.

Both sides have maintained election-type headquarters with volunteers working long hours.

From either Project Survival or from "'No' On 15" Californians have been offered speakers, pamphlets and bumper stickers. A visitor driving through California gets the feeling that the nuclear initiative is really a battle of bumper stickers—they are in such profusion.

If there is a heavy Republican turn-out in the fight between Mr. Ronald Reagan and Mr. Ford, then these voters, more conservative by nature, may tip the scale in favour of nuclear power. However, if supporters of California's liberal governor, Mr. Jerry Brown, turn out *en masse* to help him in his p[...] mary fight against Mr. Jim[my] Carter, then nuclear power m[ay] just lose.

If this is the case in Ca[li]fornia, it will send a message [to] politicians throughout [the] country that nuclear power [is] a vote-losing concept. And [this] is what the industry fears. [If] opponents can point to [a] State which has democratic[ally] renounced the nuclear opt[ion] they believe they will be [well] on their way to defeat[ing] nuclear energy nationally — at a time when energy expe[rts] claim the U.S. has no hope [of] energy survival except throu[gh] a greater reliance on [...] uranium and coal.

Ironically, even if they [win] to-day's referendum the Ca[li]fornia utilities will still f[ind] themselves considerably [con]strained. Last week the Ca[li]fornia Legislature rush[ed] through three Bills which [...] provide stringent regulation[s on] nuclear power, although th[ey] are not regarded as being [as] severe in their impact as P[ro]position 15.

The Bills require that, be[fore] additional construction [...] nuclear plant could be cert[ified] by the California Energy Co[m]mission, there should be fed[er]ally approved technology [for] spent-fuel handling and wa[ste] disposal. The State Ene[rgy] Commission would have to [de]termine that such technolo[gy] exists, and the Legislat[ure] would have 100 legislative d[ays] to reject the verdict, send[ing] it back for additional revie[w] if it chose.

The Energy Commission [...] would have to deliver a reco[m]mendation after one year [...] study of the desirability [of] placing reactors underground [to] increase their margin of op[er]ating safety. The Legislat[ure] would have to review and p[ass] judgment on that verdict [as] well. But projects that e[m]barked on the licensing proc[ess] before mid-1979 would [be] exempt from this last clause.

مكتباً من الأصل



# FARMING AND RAW MATERIALS

## U.K. tractor exports higher

By Our Commodities Editor

EXPORTS OF U.K. tractors and agricultural machinery leapt by ... per cent., to £284.1m., in the first four months of the year, according to figures issued yesterday by the Agricultural Engineers' Association.

Imports during the same period rose by only 22 per cent., so that the net balance of trade in Britain's favour increased by 41 per cent., to £193.2m., compared with £136.8m. in January-April last year.

Mr. John Richman, new president of the Association, said the lower value of sterling was already helping to boost exports of their products. Because of the dealer network system, however there was a time lag as stocks were cleared out.

Mr. Richman admitted that a proportion of the increased exports reflected inflation and cheaper sterling, but he expected demand to continue at a high rate as a result of the world shortage of food and the farmers' need to produce more.

In the U.K. domestic market, earlier expectations of the "quiet cab" regulations reducing sales of tractors had been radically changed. It now appeared that this was stimulating, rather than cutting demand.

Mr. Richman did not consider that increasing exports of smaller tractors from Japan was a serious threat. The limiting factor in meeting demand could be how much they could produce, but at present the industry was in a healthy state, with increasing investment by several companies.

## Tax plans affecting land prices

By Our Commodities Staff

UNCERTAINTY OVER the relative effect of the Government's tax proposals on owners of tenanted and vacant possession land was continuing to affect prices, said a spokesman for the Country Landowners' Association.

*The association's latest land price survey shows that the average price for land with vacant possession had fallen to £397 an acre by April 30, from £511 on January 31 and £545 on April 30 last year.*

The spokesman pointed out, however, that the sharpness of the decline was due largely to the unusually high proportion (28 per cent.) of hill land included in the sample. Taking lowland sales only, the average price was £573 an acre, against £597 last year.

# Sterling recovery puts pressure on commodities

BY JOHN EDWARDS, COMMODITIES EDITOR

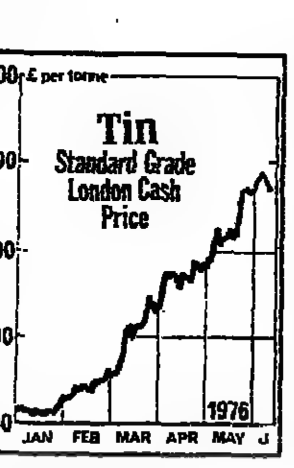
A GENERALLY weaker tone in London commodity markets yesterday followed a rise in the value of sterling. But trading conditions were generally quiet in view of a public holiday on the Continent.

On the cocoa futures market, the nearby July position fell by £30—the new permissible limit down—at one stage, and more distant positions also moved lower. The September position closed £19 down, at £1,149.5 a tonne. Coffee and sugar prices also lost earlier gains as sterling strengthened.

On the London Metal Exchange, sterling was the dominant *feature, depressing prices for* a change.

Tin continued the slide started on Friday, the cash price losing a further £52.5, to £4,340 a tonne —£92.5 below the peak of £4,432 reached last week. Although the *market rallied in the afternoon,* renewed selling pressure again developed and prices fell further on the late kerb.

A fall of 540 tonnes in tin stocks held in LME warehouses, reducing total holdings to 9,895




tonnes, had little impact on the market since the decline was in line with marked expectations and had already been discounted.

In addition to the easier trend *in Penang over the week-end,* however, further selling by the buffer stock of the International Tin Council was also reported, primarily of high-grade tin.

As expected, copper stocks showed a small fall of 775 tonnes, cutting total holdings to 541,275 tonnes. This had little impact on a market influenced mainly by the recovery in sterling.

The fall in prices was limited by rumours of renewed action by Japan to create a copper stockpile and the belief that the market was becoming somewhat *oversold. As a result, cash wire*bars closed only £4.75 down, at £853.75 a tonne.

*A rise of 1,225, to 78,750* tonnes, in lead stocks was a bigger increase than had been anticipated, but buying demand from one quarter in particular kept prices up, cash lead closing £2 higher, at £263.5 a tonne.

Suspected support buying also kept zinc prices steady, despite a rise of 3,550 tonnes, to 69,025 in warehouse stocks.

LME silver holdings rose by 250,000, to 16,150,000 ounces.

A rise in U.S. silver prices, encouraged in Chicago by the grain market surge, limited the fall in London values as a result of the recovery in sterling. The spot quotation eventually closed only 4.2p lower on the day at 269.30p an ounce.

# Credit curb worries coffee men

RIO DE JANEIRO, June 7.

BRAZILIAN COFFEE circles are concerned at the Brazilian Government's lack *of definition* on how much recent credit restrictions will affect loans for holding coffee, according to trade sources, reports Reuter.

The sources said there had been no official directive specifically restricting commercial bank loans for coffee growers and exporters. But traders felt the *process of renewing financing* granted against coffee stored in warehouses was being slowed down because *of an undeclared* ruling that applications for this must now be first approved by the Central Bank.

The feeling that financing against warehoused coffee was being slowed down was partly *responsible for recent easier* prices in Brazil's interior and export levels, they said.

Our Commodities Staff write that in London, coffee trading was very quiet, with Continental markets closed for national holidays. *Robusta prices on the* terminal market showed signs of rising around lunchtime, but the firmer tone in sterling nipped this trend in the bud. At the close, the September futures position was £1,443 a tonne, down *£15.5 on the day.*

CARIBBEAN AGRICULTURE

# Drought and labour trouble hit output

BY TONY COZIER IN BRIDGETOWN

CARIBBEAN AGRICULTURE, on the whole, had a disappointing year in 1975, according to a report by the Caribbean *Development Bank, just pub*lished. Mainly responsible were drought and industrial unrest, both reducing output.

Production of sugar in the Commonwealth Caribbean during the 1974-75 crop year totalled 1,020m. tons, compared with 1,114m. in the previous crop year, all countries recording *small decreases. The largest fall* in output was in Trinidad and Tobago, largely as a result of industrial disputes.

In spite of the decline, however, the value of exports was substantially higher than in the year before. This increase was about 50 per cent. when sugar prices soared and reached a record level of £650 a ton around the end of 1974.

The volume of bananas exported from the region to the *U.K. also declined, by about 9* per cent. overall. The Windward Islands, which now account for nearly 60 per cent. of regional banana exports recorded a decline of 14 per cent., while in Jamaica the decline was less *than 2 per cent.*

The first shipment of bananas from Belize (British Honduras) was made in February, 1975. But a severe drought resulted in further shipments of fruit being *suspended. Higher export prices* were more than offset by the fall in quantity, partly attributable to prolonged drought.

There is evidence that an increasing proportion of Jamaican banana production is being diverted to the domestic market.

A study, financed by the British Government is being made of the industry in the Windward Islands with a view to improving its performance. However, in view of concerted efforts being made to dismantle the protective regime for bananas in the U.K., the in*dustry faces an uncertain future.*

## Citrus

The citrus industry did not have a good year, either. In Belize, output declined from *1.5m. boxes in 1974 to 1.3m. in* 1975. Grapefruit production increased by 25 per cent., while that of *oranges* declined by 27 per cent. The decline in oranges was due to drought, while labour shortages prevented some far*mers from harvesting the fruit.*

In Trinidad and Tobago, production of oranges and grapefruit in 1975 declined 73.6 *per cent.* and 63.1 per cent. respectively. The reasons for these large reductions do not appear to have been determined yet.

In Dominica, exports of grapefruit to Britain—the traditional market increased marginally. Relatively small, but growing amounts were shipped to France, Holland, the U.S. Virgin Islands and some regional markets.

Prices were relatively good. Problems still remain, however, in packing and grading of fruit, the solution of which could bring in the net returns accruing to the industry.

Cocoa output in Trinidad and Tobago was about 12 per cent. *higher than in the previous year,* earning £10.4m., while Granada's production showed a sizeable drop.

Guyana's rice crop, benefiting from good weather and better water control facilities, rose to *around 160,000 tons, an increase* of about 13 per cent. Production in Belize—still in its infancy—doubled, to 6,000 tons, of which 1,000 were exported.

While performances in these main sectors of Caribbean agri*culture were disappointing, they* were not disastrous.

# Wool demand continuing strong

MELBOURNE, June 7.

MOST RECENT figures suggest that strong wool textile activity *continues in the major wool con*suming countries, the Australian Wool Corporation (AWC) says in the textile review in its monthly perspective for May. Early signs show that retail orders for the northern hemisphere during the winter of 1976/77 are at a satisfactory level.

There are some variations between countries, however. In Japan, wool textile activity has *continued to improve* and March wool consumption was up 47 per cent. on the March 1975 level.

Stocks continued to fall, reaching 0.8 of one month's consumption at the end of March. Reflecting the low level of domestic *stocks and uncertainty* about supplies from Australia due to the wool handlers' dispute, yarn and top prices increased considerably in April, but they have fallen since the resumption of exports.

*The AWC says reports suggest* that the effect of the hold-up in supplies will not be as serious as previously expected.

Reviewing wool textile activity in the EEC, the AWC said all stages of the textile pipeline in West Germany are well occupied.

In *France,* the worsted sector is showing a greater improvement over last *year's comparable* production levels than the woollen sector, although the worsted improvement is from a lower level.

Wool consumption in the U.K. in March rose to the highest level since *June 1974,* reflecting improved domestic and export demand.

*Textile activity in Italy has* been at near capacity level since June 1974, also reflecting improved domestic and export demand.

In the U.S., wool consumption is showing a firm upward trend, *reflecting the improved economy* and retail sales. Worsted sector consumption in March was almost double the figures of a year earlier and mills are generally booked as far ahead as they will accept orders.

In Taiwan, improved domestic

The current export led boom in Hong Kong is so strong that *available quotas are being* quickly used up, which may create problems in the near future.

Australian raw wool exports rose, meanwhile, to 452m. kilos, greasy equivalent, in the first eight months of the 1975-76 season (to end-February) from 338m. in the corresponding period of 1974-75. Corporation *figures show.*

Japan and Italy were the major consumers, both taking sharply increased amounts. Japan lifted its imports to 147m. kilos, from 86m., and Italy took 48m. kilos, against less than 29m.

● An International Wool Secretariat statement, released in London, said no decision had *been made yet on the floor price* for Australian wool in the 1976/1977 season, according to AWC chairman, Mr. Alf Maiden.

demand supported the increase in export demand and both wool top and spinning mills are *running at full capacity,* booked until July, says the AWC.

Mr. Maiden had said it was *necessary to emphasise this* because of misconstructions being placed on a statement by the Minister for Primary Industry, Mr. Ian Sinclair, who had been quoted in overseas Press reports as saying the *minimum of 250 cents a kilo on* 21 micron wool would continue through next season. The Australian Government had pledged not to reduce the minimum price, but this did not mean that it could not be increased.

Reuter

# Drought not hitting crops —Ministry

AREAS AFFECTED by drought are now *restricted* to parts of south-east and eastern England, the Ministry of Agriculture says in its crop conditions report for the week ended June 5.

It adds that there are no re*ports of water shortages* adversely affecting agricultural production.

Except for some areas of southern and eastern England, crops look well. Yield expectations should be above average *for wheat and about average for* barley.

# Loan scheme

A NEW LOAN scheme, enabling farmers to buy fertilisers on cash terms at the cheapest seasonal rate and repay at times of peak income, was announced by Midland Bank yesterday.

The scheme, operating in con*junction with United Agricul*tural Merchants, enables dairy farmers to pay cash for fertilisers, bought in June, and repay the loan over 12 months at a flat rate of 7 per cent. interest, equivalent to an effective rate *of 13.4 per cent. by monthly in*stalments.

# Surge in U.S. soyabean prices

BY OUR COMMODITIES EDITOR

STRONG SPECULATIVE buying interest drove soyabean futures on the Chicago market the *permissible limit up yesterday,* bringing a general rise in grain markets.

*Farmers* were reported to be holding off the market, while a further boost to sentiment was given by private crop forecaster, Conrad Leslie. He said conditions might be developing that could bring a "rampant and *extended bull market*"

Looking at the possible 1976 U.S. soyabean crop, Leslie said that because of the current unfavourable soyabean price relationship to maize and cotton, U.S. farmers had reduced 1976 *soyabean acreage to the smallest* level since the 46.9m. acres planted in 1972.

He suggested the actual acreage this year may be down to 48.8m., against the 49.3m. forecast by the U.S. Department of Agriculture—and 54.6m. last year.

Leslie also forecast that the total 1976 U.S. wheat crop would be 2,011.5m. bushels, down some 122m. from the 2,133.8m. harvested in 1975.

He put the winter wheat crop at *1,480m. bushels, based on* June 1 conditions. This is slightly higher than the 1,458.9m. predicted by the U.S. Department of Agriculture last month, but well under the record 1,651.2m. of a year ago.

*Leslie estimated spring wheat* at 418.6m. bushels, about 54m. bushels more than in the 1975 season. He estimated durum wheat at 137.79m. against 123.18m. last year.

The USDA is scheduled to *release its June winter wheat* estimate on June 9. It is planning to include a soyabean crop forecast at the same time in view of the recent upsurge in prices.

Reuter reports from Peking: that heavy week-end rain has *helped to relieve the drought in* north China and brought new hope for summer crops, the *New China News Agency said.*

# Fertiliser usage to rise

WASHINGTON, June 7.

SALES of fertilisers to U.S. farmers in the year ending June 30 should total 44m. to 45m. tonnes, up five to six per cent. on the previous year's sales and second *only* in volume to the 47m. *tonnes sold in the 1973-74* marketing year, says the president of the Fertiliser Institute, Mr. Edwin Wheeler.

In remarks for delivery to the Institute's marketing conference Mr. Wheeler forecast that by June 30, nitrogen stocks will be at "bin-bottom."

He notes that the industry "is experiencing the pain of over*zealous over-building in phos*phates" and says the industry itself must alleviate this problem, and should begin by aggressive marketing. Reuter

# COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER—Lost ground in erratic trading on the London Metal Exchange. Forward metal drifted from £880 to £879 *in the morning Rings owing to stale bull* liquidation and the firmer tendency of sterling, before recovering modestly to £882.5 on the kerb following U.S. demand. [illegible]

| COPPER | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars cash | 848-.5 | −4 | 853.5-4 | −4.75 |
| 3 months | 876-.5 | −4 | 883-4 | −4 |
| Settlem't | 848.5 | −4 | — | |
| Cathodes cash | 839-40 | −4.5 | 847-8 | −2 |
| 3 months | 868-9 | −5.25 | 876.5-7 | −1.25 |
| Settlem't | 840 | −5.5 | — | |
| U.S. Smt. | — | | *70 | |

In the afternoon, it then rose afresh to ... following the firmer opening on Comex before reacting to £881 following the sharp rise in sterling, although modest covering helped prices to steady on the kerb, forward metal ending at £882. The modest decline in warehouse stocks was widely anticipated and had little effect on prices. Turnover 18,075 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £848, 48.50, three months £880, 79, 78, 79.50, 78. Cathodes: cash £840, three months £869. Kerb: Wirebars: cash £851, three months £879, 80, 80.50, 81, 82, 82.50. Afternoon: Wirebars: cash £851, 52, 53.50, three months £882, 83, 82, 81, 82, 83. Cathodes: Three months £876, 77, 78. Kerb: Wirebars: £883, 84, 83, 83.50, 82.50, 82.

TIN—Declined further in thin trading. Values eased initially reflecting the overnight fall in Penang and the closure of Continental markets coupled with currency considerations and profit-taking. Forward standard metal fell to £4,440 in the morning Rings before recovering to £4,470 in the afternoon owing to U.S. demand, hedge buying and chartist and speculative demand. It then eased afresh owing to the further rise in sterling to end at £4,430 on the kerb. Turnover 1,870 tonnes.

| TIN | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 4338-40 | −58.5 | 4335-45 | −52.5 |
| 3 months | 4465-75 | −62.5 | 4462-72 | −56.5 |
| S'ment | 4340 | −60 | — | ...... |
| Standard | | | | |
| Cash | 4338-40 | −58.5 | 4335-45 | −52.5 |
| 3 months | 4465-70 | −65.5 | 4462-5 | −54.5 |
| S'ment | 4340 | −60 | — | ...... |
| Straits E. | £1161 | −4 | — | ...... |
| New York | — | ...... | *351.50 | +2.5 |

Morning: Standard: cash £4,340, 39, three months £4,465, 60, 65. High Grade: mid-June £4,350. Kerbs: Standard: mid-June £4,340, three months £4,465. Afternoon: Standard: three months £4,450, 55, 60, 70, 65. Kerb: Standard: three months £4,430.

LEAD—Marginally higher. Forward metal initially fell to £270 reflecting the trend in other metals but subsequently rallied to £274 following bear covering and fresh demand, although currency considerations pared gains on the afternoon kerb, the price ending at £271.5. Turnover 4,330 tonnes.

| LEAD | a.m. Official | + or − | p.m. Unofficial | + or − |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 262-.5 | +1.5 | 263-4 | +2 |
| 3 months | 272-.5 | +1.5 | 273.5-4 | +2 |
| S'ment | 262.5 | +1.5 | — | ...... |
| N.Y. Spot | — | ...... | *21.25 | ...... |

Morning: Cash £259, 62.50, three months £269, 70, 71, 71.50, 72. Kerb: Three months £271.50. Afternoon: Three months £275, 74, 73.50. Kerb: Three months £272.50, 72.

ZINC—Drifted in idle trading. [illegible]







## SILVER

[illegible]

## ALUMINIUM

[illegible]

## GRAINS

[illegible]

## SOYABEAN MEAL

Market opened lower on the follow-through of Friday's weak close in Chicago. Prices continued dull until Chicago opened limit-up on reports of temperatures in excess of 100. And of possible severe droughts. Helped by trade short-covering, prices recovered, only to be trimmed by light profit-taking. They closed on the highs of the day on renewed buying interest, reports SNW Commodities.

[illegible]

## SUGAR

[illegible]

## COCOA

[illegible]

## COFFEE

[illegible]

## WOOL FUTURES

[illegible]

## RUBBER

[illegible]

## FREIGHTS

[illegible]

## JUTE

[illegible] ...grade May-June, June-July £217.00. Bangladesh White 'D' grade May-June, June-July £205.00. A long ton.

CALCUTTA—Steady. Indian spot Rs.495. Dundee Daisee spot Rs.475 values. A bale of 400 lbs.

## MEAT/VEGETABLES

MEAT COMMISSION average fatstock prices at representative markets on ... [illegible]

## COTTON

COTTON, LIVERPOOL—No spot or shipment sales were recorded. [illegible]

## PRICE CHANGES

*Prices per ton unless otherwise stated.*

| | June 7 1976 | + or − | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium | £456 | ...... | £456 |
| Free Market (cif) | £480-485 | ...... | £475-485 |
| Copper | | | |
| Cash Wire Bars | £853.75 | −4.75 | £855.5 |
| 3 months do. do. | £883.5 | −4.0 | £884.5 |
| Cash Cathode | £847.5 | −2 | £849 |
| 3 months do. do. | £876.75 | −1.25 | £877 |
| Gold Troy oz. | $127.625 | +1 | $128.375 |
| Lead Cash | £263.5 | +2 | £277.25 |
| 3 months | £273.75 | −2 | £287.5 |
| Nickel | £2,776 | ...... | £2,552.5 |
| Free Market (cif) | $2.05-2.17 | ...... | $2.05-.02 |
| Platinum troy oz. | £81-87 | +2.5 | £86.91 |
| Free Market | £93.95 | −1.4 | £85.75 |
| Quicksilver (76lb.) | $85-90 | ...... | $86.92 |
| Silver Troy oz. | 268.7p | −2.2 | 249p |
| 3 months | 276.8p | −2.2 | 255.8p |
| Tin Cash | £4340 | −52.5 | £4,085 |
| 3 months | £4463.5 | −54.5 | £4,197.5 |
| Wolfram 22.04lb. cif | £61-65 | ...... | £49.5-61 |
| Zinc Cash | £423.5 | −2.5 | £441.5 |
| 3 months | £459.5 | −1.5 | £467.25 |
| Producers | $795 | ...... | $795 |
| **Oils** | | | |
| Coconut Malayan | | ...... | |
| Groundnut | £377 | ...... | £385 |
| Linseed Crude | | | £395 |
| Palm Malayan | | ...... | £192 |
| Soyabean | | | |
| **Seeds** | | | |
| Copra Philippine | £225 | −2.5 | £215 |
| G'nuts Nigerian | | | |
| Linseed Can No. 1 | £184.5 | −4.5 | £172 |
| **Grains** | | | |
| Barley EEC | | | £72.75 |
| Home Futures | £70.7 | −0.5 | £71.6 |
| Maize | | | |
| French No. 3 Am. | | | £75.25 |
| S.A. Yellow | | ...... | |
| Wheat | | | |
| No. 1 Red Spring | | ...... | |
| No. 2 Hard Winter | | | £89.45 |
| Australian | | ...... | |
| English Milling | £78 | | £78 |

[illegible]

## FINANCIAL TIMES

[illegible]

## REUTER'S

[illegible]

## DOW JONES

[illegible]

## MOODY'S

[illegible]

## U.S. Markets

# Limit gains in beans, maize, meal

NEW YORK, June 7.

SOYABEANS, maize and meal finished limit bid on prospects of good demand next year and less than expected rain in maize and beans belt. Precious metals closed strong on chartist buying and speculative buying following grains. Coffee finished easier despite rumours of cold weather in Brazil. Sugar closed higher on technical reaction. Bache reports.

[illegible]

# STOCK EXCHANGE REPORT

# Markets move up late following sharp rally in pound

## Share index 4.5 higher at 383.0—New long "tap" stock

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| May 17 | May 27 | May 28 | Jun. 9 |
| Jun. 1 | Jun. 10 | Jun. 11 | Jun. 22 |
| Jun. 14 | Jun. 24 | Jun. 25 | July 6 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets received a welcome late boost to sentiment yesterday following a sharp rally in sterling in response to news of the NUM's vote in favour of the Government's wages policy and the announcement of a $5bn. standby credit facility for the pound. British Funds ended the day with gains ranging to ½, while rises in leading equities extended to 5 and sometimes more. The advance in the former sector was reflected in a rise of 0.29 to 61.67 in the Government Securities index, making a gain of a point over the last three trading days. Terms of a new long "tap" stock appeared to be favourably received.

Down 0.6 at 3 p.m., the FT 30-share index closed 4.5 higher on balance at 383.0. However, there was little demand seen in the "after-hours" dealings, the rise mainly reflecting marking up by dealers. Prior to the late improvement, interest had been at a very low ebb, with prices of the leaders moving within fairly narrow limits. Official markings were only 5,482 compared with a daily average of 5,512 for last week.

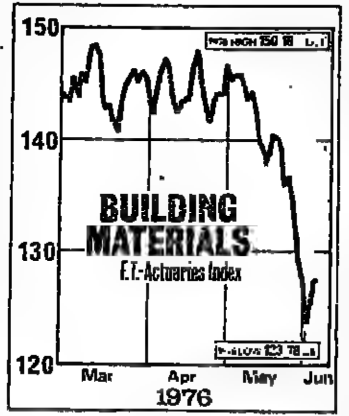
Secondary issues had little in the way of features to offer. However, there were a few bright spots in response to company trading statements and week-end Press mention. Overall, the trend was a little better, rises led falls by 4—3 in FT-quoted Industrials and the FT-Actuaries All-Share index hardened 0.1 per cent. to 156.23.

Late news of a new long "tap" stock surprises the Gilt-edged market. Earlier, both domestic and transatlantic pointers had been encouraging enough to extend the recovery which began late the previous week. Stock was in rather short supply at the longer end, but the earlier maturities eventually absorbed selling and went firmer still after hours on news of the new standby dollar credit facility. The announcement of the £600m. issue of Exchequer 13¾ per cent., 1996, to be issued at 94, brought late trade to a halt while the terms of the issue were assessed. When business recommenced inquiries were plentiful but little actual dealing was done in the longs and some high-coupon stocks eased from the day's best to leave maximum gains of ½, the same as those seen in the shorts.

Sterling's late improvement soon found reflection in the investment currency market and the premium fell 3½ points further to 113 per cent., the effects of the London Tin share placing were negligible. Yesterday's SE conversion factor was 0.6064 (0.6994).

### Banks dip & rally

By mid-afternoon the big four Banks were displaying losses of up to 8 on lack of support, but a strong rally in the inter-office dealings reversed the trend and left net improvements of 3 at the close. Barclays closed that much better at 283p, after 272p, as did National Westminster at 223p, after 212p. Foreign issues were irregular with Australia and New Zealand ending 5 dearer at 485p, after 490p, and the "New" fully-paid shares 10 higher at 495. Hongkong and Shanghai, however, cheapened 5 to 300p. Discounts traded similarly, with Alexanders 3 better at 200p but Cater Ryder that much easier at 235p. Merchant Banks were supported in places with Guinness Peat prominent at 192p, up 7. Manson Finance Trust gained 3 at 33p and Hill Samuel edged forward a penny to




97p; the latter's results are due to-day. Reflecting the return to profitability, Corinthian hardened a penny to 6p.

Brokers displayed modest gains in Insurances after a thin trade. Leslie and Godwin improved 3 to 120p, after 122p and C. E. Heath were similarly better at 405p. Composites rallied late and closed mixed. Sun Alliance picked up from 385p to close a net 2 dearer at 390p, but Guardian Royal Exchange ended that much off at 150p, after 177p.

Breweries and kindred trades closed modestly higher following a thin trade. Arthur Guinness hardened a penny to 129p; the interim results are due June 18. Whitbread "A", with results expected Friday, improved a shade to 84p.

In thin trading conditions, Buildings generally made modest headway. AP Cement hardened 2 to 162p, while similar improvements were seen in Higgs and Hill, 44p, International Timber, 79p, and Marchwiel, 90p. News that First National Finance has sold its 20 per cent. stake in Fairview Estates left the latter's shares a penny dearer at 53p. Taylor Woodrow also hardened a penny to 265p on Press comment, while details of a £5.5m. hospital contract brought about a similar small improvement in Costain at 208p.

With the subscription on the "rights" due to be paid on Thursday a fair amount of interest was shown in ICI new nil-paid shares which, after drifting down to touch 26p premium, rallied well to finish the day 2 higher at 31p premium: the old performed similarly, picking up from 354p to close 4 up on balance at 359p. Elsewhere in Chemicals, Federated hardened 4 to 48p on the chairman's confident statement, but Carless Capel shed 5 to 65p despite preliminary profits well up to market expectations and a proposed 100 per cent. scrip issue.

### Philips' Lamp decline

After easing back from a firm start, Electrical leaders showed some improvement in the late afternoon. EMI finished 5 up at 236p, Thorn Electrical 4 better at 232p and GEC 3 harder at 132p, while Plessey ended a penny up at 74p. Philips' Lamp, on the other hand, retreated 30 to 910p in reflection of the fresh reaction in the investment premium. Elsewhere, BSR were notable for a rise of 6 to 110p, while Comet Radiovision, with interim results due to-day, hardened 2 to 45p. Electronic Machine added 2½ at 28p, but Dale Electric shed 3 to 125p and Dorman Smith "A" 4 to 114p. News that Astra Securities has increased its stake to 26.6 per cent left R. and A. G. Crossland unmoved at 26p.

After looking a shade easier, Store leaders hardened during the later trading to end marginally better on balance after a moderate trade. Gussies "A" were finally 3 up at 189p, while British Home Stores ended 2 better at 352p, after 348p. House of Fraser were still a penny down on the day at 82p, after 81p. Elsewhere, H. Samuel "A" improved 4 to 121p, while Allied Retailers hardened 3 to 95p and Readicut International 2 to 27½p. Moss Bros. shed another 2 to 30p, still on consideration of the loss for the year.

Leading Engineers followed the general trend and closed slightly harder after having been easier. Vickers put on 3 to 179 and GKN were 2 better at 320p, after 316p. Elsewhere, fresh demand in a thin market lifted Weyburn 12 to 275p and John Booth and Sons (Bolton) rose 5 to 37½p on the good results. Smaller-priced issues to the fore included United Engineering which, ahead of to-morrow's preliminary figures, gained 3 to 26p. Percy Lane, 29p, were similarly dearer and Warwick improved 2 to 22p. Westland, awaiting Wednesday's interim results, reacted to 56p before closing only a net 1 off at 58p. Laird slipped 1½ to 36p after the chairman's remarks at yesterday's annual meeting, but GEI International moved up 2 to 52p in front of to-day's results. Shipbuilding suffered from the postponement of the nationalisation bill; both Swan Hunter, 38p, and Hawthorn Leslie, 34p, gave up 3.

Foods often regained small early losses and J. Sainsbury, which initially showed no response to the chairman's review, closed 2 firmer at 134p, after 130p. Cavenham, 116p, Brooke Bond, 37½p, and Spillers, 38p, were all marginally better, while Tate and Lyle closed unchanged at 256p, after 252p. Press comment encouraged interest in FMC, 2 dearer at 47p, but unsettled Tesco, which eased ½ more to 40½p.

CCH Investments were a minor feature in Hotels, gaining 4 to 30p on the improved results and forecast of a return to the dividend list this year.

### Metal Box advance

There was only a small business in the miscellaneous Industrial leaders, although prices closed with fresh rises ranging to 10 following late afternoon buying interest. Beecham were that amount higher at 374p, while Metal Box, ahead of to-day's annual results, advanced 9 to 264p. Pilkington, with results scheduled for Friday, ended another 8 up at 323p, while Reed International moved ahead 8 to 262p, Glaxo 5 to 390p, and Unilever 4 to 468; Unilever NV however, on investment premium influences, lost ¾ to £21¾. Elsewhere, Johnson Matthey recouped 5 more to 357p and Wedgwood firmed 3 to 218p, both awaiting preliminary figures due to-day. Favourable Press comments lifted British Vita 4 more to 100p; the price in last Friday's issue was incorrect. Also responding to Press mention, United City Merchants gained 3 at 29p and Christie-Tyler a penny to 82p. Polymark rose 4 to a 1976 high of 32p in response to the profits advance and expectation of further significant growth in 1976, while increased profits lifted Radiant Metal Finishing 3 to 22p. Staflex International, on the preliminary statement, hardened a penny to 45p, while Hanson Trust closed similarly harder at 137p following the half-year report. MPI attracted demand and moved ahead 2½ to 10p, while Development Securities added 10 at 285p.

Motors and Distributors improved late with the general trend. Dunlop picked up 2 to 82p, while Lucas Industries closed similarly higher at 204p, after 200p. Selective demand for secondary issues lifted Wilmot-Breeden 4 to 45p, Automotive Products 5 to 54p, and Kwik-Fit 3 to 29p. British Leyland, however, were an isolated dull spot at 28p, down 4.

Jefferson Smurfit highlighted Paper/Printings, rising 7 to 142p following news of the good start to the current year. Other changes were marginal, but Culter Guard Bridge hardened ½ more to 13½p still reflecting the second-half improvement. Newspapers moved narrowly with Beaverbrook "A" gaining 1 further to 22p, but News International easing 2 to 146p, after 145p.

### Ocean Wilsons good

Ocean Wilsons closed prominently better in Overseas Traders with a rise of 9 at 122p in front of to-day's preliminary results. S. and W. Berisford, with interim results due June 24, picked up 2 more to 136p, while Lonrho, still helped by a broker's bullish circular, added another 2 at 84p.

Week-end newspaper opinion made little impact on either British Petroleum or Shell, both of which began firmly but reacted with the general market before closing near the best of the day: BP were finally 3 better at 628p, after 620p, and Shell similarly dearer at 445p, after 438p. Remaining movements were insignificant apart from Ranger which, on domestic market and investment dollar influences, slipped ½ to $14½. Weeks Natural Resources picked up 3 more to 83p.

Property leaders fluctuated narrowly in quiet trading before closing on a firm note. MEPC finished with a fresh improvement of 2 at 70p awaiting to-day's half-year results. Land Securities were finally 3 firmer at 132p and British Land a penny harder at 27½p. Small mixed movements occurred elsewhere. Hammerson "A" managed a rise of 8 at 313p, while Ewart New Northern put on 3 to 108p and Argyle Securities 1½ to 30p, but Berkeley Hambro lost 3 to 114p.

Trusts and Financials generally displayed a firmer bias. Press comment helped Direct Spanish Telegraph improve 3 to 48p, after 50p, while Estates House found support at 105p, up 5. In front of to-day's interim results, Charterhouse Group hardened a penny to 49p.

Bolstered by favourable Press comment ahead of to-morrow's AGM, P&O Deferred recovered from early softness to finish 2½ dearer at 107½p, after 104p.

In common with other market majors, Courtaulds staged a useful late rally and closed 3 better at 136p after 132p in Textiles. After last Friday's Press-inspired gain of 12, Bats continued to dominate Tobaccos by rising 6 more to 373p.

Guthrie featured Rubbers, rising 7 to 187p in line with the firmer trend of the Industrial market leaders; the preliminary results are due Thursday. Teas closed firmer for choice, with McLeod Russel 3 dearer at 155p and Clairmace 2 up at 42p. Catel Trust edged forward a shade to 3p on favourable Press mention.

### Quiet Mines

It was a quiet day in mining share markets with the Continent being closed for the Whitsun holidays.

South African Gold shares tended to drift owing to the lower trend in U.S. markets on Friday, the modest decline of the investment dollar premium and scattered Cape offerings.

Bullion was finally $1 up at $127.625 per ounce. The Gold Mines index fell a further 2.2 to 176.6—it has now fallen [illegible] points since last Wednesday's International Monetary Fund auction.

In the heavyweight issues Reefs dropped a half-point to £15¼ while falls of [illegible] were registered by Buffels (£10[illegible]), State Geduld (£14¾) and Helena (£15¾).

Overseas-based Financials generally mirrored Golds. Anglo American fell 5 to 300p, "Johnnies" lost a further £17. The London-based [illegible], however, benefited from the strength of U.K. Industrials. Charter improved 5 to [illegible] in front of the annual results which are due to-day, while RTZ [illegible] 2 harder at 218p.

Coppers were untested but moved ahead owing to favourable week-end Press comment. [illegible] Tin advanced 13 to [illegible] Southern Malayan rose 8 to [illegible]

Australians were mixed in response to the undecided trend in overnight markets in Sydney and Melbourne, coupled with a modest decline in the premium. Poseidon gained 5 to 245p [illegible] Peko-Wallsend were 10 lower at 540p. Gold Mines of Kalgoorlie put on 5 to 35p.

## Benefit plea for ex-pupils

THOUSANDS of school-leavers face the threat of having neither a job nor unemployment benefit, Mr. Fred Mulley, the Education Secretary, was warned yesterday, in a letter from the Volunteer Force Foundation.

The foundation said that of those who left school last year before the end of term were unemployed—and as they were under 16, were unable to claim any State benefit.

It urged immediate Government action to enable benefit payments. About 35,000 young people are likely to be affected by the end of August.

## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

| EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Mon. June 7, 1976: Index No. | Day's Change % | Est. Earnings Yield % (Max.) (Corp. Tax 35%) | Gross Div. Yield % (ACT at 35%) | Est. P/E Ratio (Net) (Corp. Tax 35%) | Est. P/E Ratio (Nil) (Corp. Tax 35%) | Fri. June 4 Index No. | Thurs. June 3 Index No. | Wed. June 2 Index No. | Tues. June 1 Index No. | Year ago (approx.) Index No. | 1976 High | 1976 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 CAPITAL GOODS (179) | 142.37 | -0.1 | 15.92 | 6.23 | 9.46 | 9.56 | 142.22 | 140.04 | 137.18 | 141.74 | 127.01 | 160.06 | 137.18 | 206.47 | 50.71 |
| 2 Building Materials (30) | 127.32 | -0.1 | 15.96 | 7.17 | 10.85 | 10.84 | 127.25 | 125.63 | 123.78 | 127.55 | 107.55 | 150.18 | 123.78 | 253.64 | 44.27 |
| 3 Contracting, Construction (23) | 198.45 | -1.1 | 18.56 | 5.48 | 8.46 | 8.46 | 196.27 | 194.57 | 193.00 | 196.56 | 234.20 | 260.20 | 193.00 | 589.55 | 71.48 |
| 4 Electricals (16) | 255.69 | -0.4 | 16.09 | 4.85 | 9.18 | 8.91 | 256.66 | 253.53 | 245.72 | 255.92 | 226.25 | 287.60 | 246.72 | 360.04 | 86.71 |
| 5 Engineering (Heavy) (13) | 171.31 | -0.3 | 25.21 | 7.07 | 6.72 | 6.72 | 171.85 | 166.79 | 161.88 | 170.56 | 151.75 | 193.18 | 161.88 | 202.57 | 94.43 |
| 6 Engineering (General) (63) | 135.44 | +0.2 | 15.88 | 6.88 | 9.36 | 9.36 | 135.23 | 131.00 | 128.19 | 132.05 | 113.49 | 149.29 | 125.48 | 168.59 | 45.14 |
| 7 Machine and Other Tools (9) | 53.72 | -0.5 | 14.09 | 7.45 | 12.69 | 12.64 | 53.85 | 52.92 | 51.56 | 54.12 | 43.42 | 60.62 | 51.19 | 156.70 | 19.96 |
| 8 Miscellaneous (25) | 127.80 | -0.5 | 14.72 | 6.65 | 10.36 | 10.05 | 127.13 | 125.56 | 122.93 | 127.66 | 120.50 | 141.94 | 121.53 | 177.41 | 49.65 |
| 9 CONSUMER GOODS (DURABLE) (53) | 123.70 | +0.6 | 16.72 | 5.36 | 8.95 | 8.91 | 123.02 | 120.08 | 116.86 | 121.72 | 90.44 | 141.46 | 116.86 | 227.78 | 38.39 |
| 10 Lt. Electronics, Radio TV (15) | 136.84 | -0.5 | 14.50 | 3.97 | 10.13 | 10.11 | 136.18 | 132.57 | 128.75 | 133.85 | 102.76 | 160.55 | 128.75 | 257.41 | 42.65 |
| 11 Household Goods (13) | 167.75 | +0.5 | 16.29 | 6.88 | 8.31 | 8.29 | 166.89 | 164.29 | 162.00 | 168.83 | 141.29 | 187.22 | 162.00 | 263.22 | 63.92 |
| 12 Motors and Distributors (25) | 75.74 | +0.7 | 19.65 | 6.92 | 7.75 | 7.72 | 75.23 | 73.51 | 71.40 | 74.58 | 49.67 | 85.16 | 70.05 | 170.59 | 19.91 |
| 13 CONSUMER GOODS (NON-DURABLE) (168) | 144.23 | -0.2 | 14.63 | 6.50 | 10.37 | 10.28 | 144.53 | 140.81 | 138.95 | 143.36 | 141.55 | 162.24 | 138.95 | 226.08 | 61.41 |
| 14 Breweries (15) | 152.91 | — | 15.01 | 7.22 | 10.00 | 10.00 | 152.92 | 150.02 | 147.99 | *153.00 | 166.66 | 179.43 | 147.99 | 281.87 | 69.47 |
| 15 Wines and Spirits (7) | 175.95 | -0.9 | 10.80 | 5.75 | 14.16 | 14.16 | 174.31 | 171.00 | 169.90 | 176.19 | 167.25 | 190.67 | 169.90 | 257.40 | 78.71 |
| 16 Entertainment, Catering (14) | 168.46 | -0.1 | 14.42 | 7.63 | 10.70 | 10.60 | 168.28 | 161.77 | 158.17 | 164.43 | 152.57 | 211.26 | 158.17 | 329.99 | 54.67 |
| 17 Food Manufacturing (22) | 163.68 | -0.2 | 15.45 | 5.30 | 9.88 | 9.82 | 163.45 | 159.70 | 157.25 | 162.55 | 151.37 | 179.44 | 157.26 | 211.65 | 59.78 |
| 18 Food Retailing (16) | 132.86 | -0.6 | 12.55 | 5.50 | 11.62 | 11.62 | 133.71 | 129.08 | 126.86 | 132.49 | 143.09 | 150.05 | 126.86 | 235.08 | 54.25 |
| 19 Newspapers, Publishing (16) | 161.08 | -0.4 | 12.70 | 6.42 | 12.10 | 12.10 | 161.65 | 158.94 | 157.01 | 161.69 | 151.68 | 184.54 | 157.01 | 250.29 | 55.08 |
| 20 Packaging and Paper (12) | 98.41 | -0.4 | 17.76 | 7.87 | 8.44 | 8.44 | 98.77 | 95.95 | 94.92 | 97.74 | 101.86 | 112.60 | 94.92 | 135.89 | 43.46 |
| 21 Stores (34) | 116.90 | -0.2 | 15.28 | 5.91 | 11.59 | 11.57 | 117.17 | 114.50 | 113.17 | 115.71 | 127.44 | 136.34 | 113.17 | 204.39 | 52.63 |
| 22 Textiles (23) | 149.18 | -1.0 | 9.99 | 7.66 | 14.56 | 12.75 | 150.71 | 146.07 | 141.90 | 149.01 | 138.61 | 163.19 | 141.90 | 253.72 | 62.66 |
| 23 Tobaccos (3) | 219.05 | -0.7 | 19.90 | 6.47 | 7.66 | 7.66 | 220.63 | 214.45 | 213.17 | 218.59 | 191.42 | 241.89 | 211.56 | 339.16 | 94.34 |
| 24 Toys and Games (6) | 69.55 | -1.2 | 21.79 | 7.74 | 6.59 | 6.59 | 68.75 | 68.03 | 67.85 | 70.62 | 43.98 | 78.78 | 59.13 | 135.72 | 20.92 |
| OTHER GROUPS (96) | | | | | | | | | | | | | | | |
| 25 Chemicals (26) | 209.91 | — | 11.67 | 5.55 | 11.71 | 11.71 | 209.88 | 204.57 | 201.63 | 207.54 | 185.23 | 231.38 | 199.45 | 231.38 | 71.20 |
| 26 Office Equipment (9) | 93.14 | +0.5 | 12.78 | 5.56 | 11.37 | 11.57 | 92.67 | 90.80 | 88.75 | 91.19 | 94.01 | 100.18 | 85.09 | 246.06 | 45.34 |
| 27 Shipping (12) | 369.81 | -0.2 | 14.87 | 7.02 | 9.54 | 8.51 | 369.83 | 365.14 | 357.59 | 368.38 | 389.33 | 432.64 | 355.52 | 517.00 | 90.80 |
| 28 Miscellaneous (49) | 155.47 | — | 14.29 | 7.10 | 10.46 | 10.45 | 155.51 | 151.21 | 148.45 | 155.35 | 148.44 | 172.98 | 148.45 | 258.85 | 60.39 |
| 29 INDUSTRIAL GROUP (496) | 149.48 | — | 14.57 | 6.14 | 10.25 | 10.14 | 149.52 | 146.09 | 143.68 | 148.28 | 138.96 | 165.38 | 143.60 | 220.17 | 59.01 |
| 30 OILS (4) | 372.52 | +0.6 | 11.49 | 4.40 | 10.06 | 9.31 | 370.36 | 358.28 | 367.24 | 381.55 | 290.81 | 395.84 | 351.64 | 451.66 | 87.23 |
| 31 500 SHARE INDEX | 167.72 | -0.1 | 14.05 | 5.85 | 10.20 | 9.99 | 167.59 | 163.49 | 161.90 | 167.27 | 151.69 | 183.00 | 161.90 | 227.96 | 63.49 |
| 32 FINANCIAL GROUP (100) | 123.90 | -0.3 | — | 5.96 | | — | 123.48 | 119.95 | 118.52 | 123.00 | 141.31 | 153.46 | 118.52 | 241.41 | 55.88 |
| 33 Banks (6) | 155.36 | -1.1 | 19.93 | 5.45 | 7.72 | 7.72 | 153.75 | 148.05 | 146.38 | 150.70 | 171.60 | 192.16 | 146.38 | 288.32 | 62.44 |
| 34 Discount Houses (10) | 148.56 | +0.3 | -- | 9.51 | -- | — | 148.10 | 147.90 | 148.00 | 152.73 | 157.22 | 188.82 | 147.90 | 293.15 | 61.40 |
| 35 Hire Purchase (5) | 95.12 | -1.2 | — | 6.61 | — | -- | 95.96 | 93.11 | 90.30 | 92.95 | 96.53 | 132.10 | 90.30 | 455.72 | 58.85 |
| 36 Insurance (Life) (9) | 100.54 | -0.4 | — | 7.10 | — | — | 100.95 | 97.05 | 95.91 | 100.68 | 114.26 | 129.46 | 95.91 | 194.46 | 44.88 |
| 37 Insurance (Composite) (7) | 95.46 | -0.3 | — | 7.56 | — | — | 95.75 | 93.99 | 92.79 | 95.85 | 114.19 | 119.76 | 92.79 | 155.76 | 43.96 |
| 38 Insurance Brokers (9) | 249.86 | -0.5 | 9.49 | 4.43 | 15.66 | 15.66 | 248.62 | 239.22 | 232.89 | 248.01 | 204.15 | 276.90 | 218.26 | 276.90 | 65.86 |
| 39 Merchant Banks (16) | 72.55 | -1.4 | | 7.71 | | -- | 71.55 | 69.67 | 69.72 | 72.51 | 89.11 | 93.85 | 69.72 | 278.57 | 31.21 |
| 40 Property (32) | 149.19 | — | 3.56 | 3.40 | 49.19 | 49.82 | 149.17 | 145.45 | 144.37 | 150.74 | 167.95 | 194.57 | 144.37 | 357.40 | 56.01 |
| 41 Miscellaneous (6) | 73.31 | -0.7 | 17.83 | 7.67 | 8.78 | 8.78 | 72.78 | 70.36 | 69.83 | 72.52 | 75.18 | 91.98 | 69.83 | 303.13 | 35.29 |
| 42 Investment Trusts (50) | 146.73 | -0.2 | 3.57 | 5.08 | 29.15 | 29.14 | 146.41 | 143.88 | 141.96 | 149.65 | 174.55 | 184.55 | 141.96 | 245.79 | 71.63 |
| 43 ALL-SHARE INDEX (650) | 156.25 | +0.1 | — | 5.83 | — | — | 156.05 | 152.15 | 150.59 | 155.86 | 149.77 | 172.64 | 150.59 | 228.18 | 61.92 |
| COMMODITY GROUPS (Not included in 500 or All-Share indices) | | | | | | | | | | | | | | | |
| 44 Rubbers (9) | 493.56 | -0.7 | 12.07 | 6.91 | 12.49 | 12.31 | 490.06 | 486.50 | 483.79 | 491.58 | 472.67 | 525.40 | 405.67 | 555.37 | 84.66 |
| 45 Teas (8) | 135.64 | -1.0 | 31.06 | 8.75 | 4.37 | 4.32 | 134.34 | 134.82 | 133.87 | 132.87 | 96.15 | 140.84 | 119.79 | 140.44 | 59.72 |
| 46 Coppers (3) | 232.00 | -0.6 | 42.60 | 7.41 | 2.35 | 2.35 | 233.41 | 258.15 | 256.74 | 232.17 | 400.56 | 301.47 | 178.95 | 367.78 | 94.08 |
| 47 Mining Finance (11) | 107.47 | -0.4 | 9.72 | 4.51 | 11.54 | 11.45 | 107.89 | 108.78 | 108.91 | 108.55 | 152.86 | 119.77 | 86.18 | 175.90 | 56.31 |
| 48 Tins (8) | 108.09 | -4.6 | 11.82 | 8.51 | 12.70 | 12.05 | 104.22 | 104.34 | 104.52 | 105.51 | 106.65 | 115.14 | 86.09 | 125.43 | 54.65 |
| 49 Overseas Traders (13) | 229.23 | +0.5 | 14.47 | 4.51 | 8.99 | 8.98 | 228.48 | 226.10 | 222.79 | 229.03 | 252.53 | 254.47 | 222.75 | 254.47 | 97.57 |

| FIXED INTEREST | Monday June 7 Index | Yield | Friday June 4 | Thurs. June 3 | Wed. June 2 | Tues. June 1 | Fri. May 28 | Thurs. May 27 | Wed. May 26 | Year ago (approx.) | 1976 High | 1976 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 Consols 2½% yield | — | 14.04 | 14.12 | 14.21 | 14.51 | 14.10 | 14.18 | 14.18 | 13.97 | 14.66 | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 20-yr. Govt. Stocks (6) | 48.76 | 13.54 | 48.53 | 48.26 | 47.82 | 48.60 | 49.63 | 49.43 | 47.45 | 53.45 | 47.56 | [illegible] | 115.42 | 38.27 |
| 3 20-yr. Red. Deb. & Loans (15) | 50.37 | 14.67 | 50.39 | 50.33 | 50.53 | 51.18 | 51.60 | 51.86 | 52.12 | 46.24 | 52.40 | [illegible] | [illegible] | [illegible] |
| 4 Investment Trust Prefs. (15) | 45.43 | 15.28 | 46.64 | 46.64 | 46.64 | 46.58 | 48.05 | 48.05 | 48.76 | 42.24 | 51.25 | [illegible] | [illegible] | [illegible] |
| 5 Coml. and Indl. Prefs. (20) | 64.41 | 14.75 | 64.25 | 63.54 | 63.76 | 64.66 | 66.58 | 65.83 | 66.07 | 59.37 | 71.97 | [illegible] | [illegible] | [illegible] |

| Section or Group | Base Date | Base Value | Section or Group | Base Date | Base Value |
|---|---|---|---|---|---|
| Overseas Traders | 31.12.74 | 100.00 | Food Retailing | 29.12.67 | 114.13 |
| Engineering (Heavy) | 31.12.71 | 153.84 | Insurance Brokers | 29.12.67 | 96.67 |
| Engineering (General) | 31.12.71 | 153.84 | Mining Finance | 29.12.67 | 100.00 |
| Wines and Spirits | 16.1.70 | 114.13 | All Other | 10.4.62 | 100.00 |
| Toys and Games | 16.1.70 | 135.72 | | | |
| Office Equipment | 16.1.70 | 153.74 | | | |
| Industrial Group | 31.12.70 | 128.20 | | | |
| Miscellaneous Financial | 31.12.70 | 128.06 | | | |
| Food Manufacturing | 29.12.67 | 114.13 | | | |

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10 Bolt Court, London, EC4 [illegible] * Corrected.

## FINANCIAL TIMES STOCK INDICES

| | June 7 | June 4 | June 3 | June 2 | June 1 | May 28 |
|---|---|---|---|---|---|---|
| Government Secs. | 61.67 | 61.38 | 61.00 | 60.67 | 61.38 | 61.9[illegible] |
| Fixed Interest | 61.40 | 61.27 | 60.78 | 60.77 | 61.57 | 61.9[illegible] |
| Industrial Ordinary | 383.0 | 378.5 | 367.1 | 364.7 | 373.0 | 380.[illegible] |
| Gold Mines | 176.6 | 178.8 | 186.0 | 191.3 | 183.7 | 178.[illegible] |
| Ord. Div. Yield | 5.62 | 5.68 | 5.84 | 5.88 | 5.77 | 5.6[illegible] |
| Earnings Y'ld % (full) | 15.97 | 16.14 | 16.59 | 16.70 | 16.35 | 16.[illegible] |
| P/E Ratio (net) (*) | 9.28 | 9.18 | 8.93 | 8.87 | 9.04 | 9.2[illegible] |
| Dealings marked | 5,482 | 5,695 | 6,083 | 7,252 | 5,615 | 6,[illegible] |
| Equity turnover £m. | — | 57.39 | 55.69 | 61.60 | 61.83 | 56.2[illegible] |
| Equity bargains total | — | 15,184 | 17,466 | 17,948 | 16,891 | 17,3[illegible] |

10 a.m. 380.3. 11 a.m. 377.7. Noon 377.8. 1 p.m. 378.5. 2 p.m. 378.5. 3 p.m. 377.5.
Latest Index 01-246 8026.
* Based on 52 per cent. corporation tax. † Nil = 9.28.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

## HIGHS AND LOWS

| | 1976 High | 1976 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 65.21 (30/1/76) | 60.19 (2/1/76) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 64.43 (2/2/76) | 59.75 (2/1/76) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 420.8 (4/5/76) | 364.7 (2/6/76) | 549.2 (14/9/72) | 49.4 (26/6/40) |
| Gold Mines | 246.9 (2/1/76) | 140.1 (5/4/76) | 442.3 (22/5/75) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | June 7 |
|---|---|
| Daily | |
| Gilt-Edged | 171.6 |
| Industrials | 202.3 |
| Speculative | 32.2 |
| Totals | 124.8 |
| 5-day Av'r'ge | |
| Gilt-Edged | 171.0 |
| Industrials | 229.2 |
| Speculative | 84.4 |
| Totals | 145.5 |

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1976 high | 1976 low |
|---|---|---|---|---|---|---|
| Shell Transport | 25p | 13 | 445 | +3 | 462 | 378 |
| ICI 'New' | Nil/pd. | 11 | 31* | +2 | 49* | 23* |
| Marks & Spencer | 25p | 11 | 92 | — | 108 | 88 |
| European Ferries | 25p | 10 | 62½ | — | 80 | 56½ |
| Barclays Bank | £1 | 9 | 283 | +3 | 330 | 265 |
| BP | £1 | 9 | 628 | +3 | 685 | 575 |
| Burmah Oil | £1 | 9 | 44 | +1 | 53 | 31 |
| Reed Int'l. | £1 | 8 | 262 | +8 | 288 | 246 |
| Bowater | £1 | 7 | 200 | — | 250 | 173 |
| GKN | £1 | 7 | 320 | +2 | 360 | 286 |
| Imperial Group | 25p | 7 | 74 | — | 88 | 72½ |
| Lloyds Bank | £1 | 7 | 223 | +3 | 266 | 205 |
| MEPC | 25p | 7 | 70 | +2 | 98 | 59 |
| Metal Box | £1 | 7 | 264 | +9 | 302 | 244 |
| Midland Bank | £1 | 7 | 273 | +3 | 320 | 230 |

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

## Option Report—3-month Call rates

**OPTION DEALING DATES**

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| May 25 | Jun. 8 | Aug. 19 | Sep. 1 |
| Jun. 9 | Jun. 21 | Sep. 2 | Sep. 14 |
| Jun. 22 | July 5 | Sep. 16 | Sep. 28 |

"Calls" were arranged in Berry Wiggins, Silvermines, Charterhall, ICI, Dunlop, Ultramar, Charter Consolidated, Vaux Brewery, Peachey Property, Burmah Oil, Reardon Smith 'A', English Property, MEPC, Midland Bank, National Westminster Warrants, Rank Organisation, British Petroleum, Consolidated Gold Fields, Ladbroke Warrants and Burton 'A'. No "puts" were reported, but double options were transacted in Keith and Henderson, Beralt Tin, Burmah Oil, Ladbroke Warrants, Avon Rubber, National Westminster Warrants, Consolidated Gold Fields and Berry Wiggins.

| Industrials | | | | | | | |
|---|---|---|---|---|---|---|---|
| A.P. Cement | 15 | Guardian | 18 | Spillers | 4 | Shell | 27 |
| Assoc. Leisure | 3 | G.K.N. | 25 | Tesco | 4 | Ultramar | 14 |
| Barclays Bank | 22 | Hawker Sidd. | 35 | Thorn "A" | 22 | | |
| Beecham | 25 | House of Fraser | 8 | Tube Invest. | 27 | Mines | |
| Boots Drug | 12 | I.C.I. | 20 | Unilever | 58 | Anglo Amer. | 50 |
| Bowaters | 16 | "Imps" | 7 | Utd. Drapery | 8 | Charter Cons. | 16 |
| B.A.T. | 30 | I.C.L. | 14 | Vickers | 16 | Chart'h'll Fin. | 4 |
| British Leyland | 5 | Inveresk | 7 | Williams Hud'n | 4 | Cons. Gold | 15 |
| BOC Intl. | 5½ | Legal & General | 12 | Woolworths | 6 | De Beers Def. | 35 |
| Burton 'A' | 6½ | Ladbroke | 11 | | | F. S. Geduld | 350 |
| Cadburys | 5 | Lloyds Bank | 22 | Property | | Great Boulder | 12 |
| Courtaulds | 11 | "Lots" | 4 | Brit. Land | 8½ | Hampton Areas | 12 |
| Debenhams | 8 | "Mams" | 7 | Cap. Counties | 3 | Hampton Prop. | 4 |
| Distillers | 13 | Marks & Sp'ncer | 8 | E. P. | 5 | Kloof | 100 |
| Dunlop | 7½ | Midland Bank | 22 | Intl. Europe | 7 | Lonrho | 9 |
| Eagle Star | 11 | Nat'l West Bank | 20 | Land Securities | 14 | Loraine | 55 |
| E.M.I. | 17 | "Dbl" Warrants | 8½ | MEPC | 7 | Poseidon | 55 |
| Gen. Accident | 12 | P&O Dfd. | 11 | Peachey | 3 | Pres. Steyn | 200 |
| Gen. Electric | 13 | Plessey | 7 | Samuel Props. | 4½ | Rio T. Zinc | 17 |
| Glaxo | 55 | R.H.M. | 5 | Town & City | 2½ | Welkom | 56 |
| Grand Met. | 7 | Rank Org. "A" | 16 | | | West Areas | 40 |
| G.U.S. "A" | 16 | Reed Int'l. | 25 | Oils | | Western M'ng. | 18 |
| | | Redfearn | 4 | Brit. Petroleum | 40 | | |
| | | Slater Walker | 4 | Burmah Oil | 4½ | | |

## NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

**NEW HIGHS (10)**

FOREIGN BONDS (1)
Greek 4pc Mixed Assented
AMERICANS (1)
Colt Inds.
CANADIANS (1)
Place Gas and Oil
BANKS (1)
Aust. and NZ
ELECTRICALS (1)
Electronic Machine
ENGINEERING (1)
Wombwell Foundry
FOODS (1)
Clifford's Dairies
INDUSTRIALS (2)
Polymark — Staffs. Potts
TRUSTS (1)
Direct Spanish

**NEW LOWS (23)**

AMERICANS (1)
Int. Systems & Controls
CANADIANS (1)
Trans. Can. Pipe Lines
BANKS (1)
Bank NSW
BUILDINGS (6)
Aberthaw Cement — SGB Group
Burns Anderson — Streeters Price
Douglas (R.M.) — UBM Group
Mixconcrete — Westbrick Products
CHEMICALS (1)
Anchor Chem.
STORES (1)
Ford (Martin)
ENGINEERING (1)
Hall-Thermotank
INDUSTRIALS (2)
Burco Dean — Ropner "A"
SHIPBUILDERS (2)
Hawthorn Leslie — Swan Hunter
SHIPPING (1)
Brit. and Comm.
TRUSTS (3)
Temple Bar — Lampa Secs.
White Drummond
OILS (1)
Woodside-Burmah

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 59 | 0 | 1 |
| Corpns. Dominion and Foreign Bonds | 24 | 2 | 38 |
| Industrials | 374 | 283 | 1,065 |
| Financial and Prop. | 139 | 74 | 358 |
| Oils | 12 | 5 | 20 |
| Plantations | 6 | 3 | 37 |
| Mines | 22 | 53 | 71 |
| Recent Issues | 12 | 13 | 32 |
| Totals | 647 | 433 | 1,622 |

# MONEY MARKET

## Interest rates lower

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Short-term fixed period interest rates fell quite sharply in the London money market yesterday afternoon, following the improvement in sterling. The three-month sterling certificate yield eased to 10¾-10⅝ p.c. from 11⅛-11¼ p.c., while the discount houses buying rate for three-month Treasury bills fell to 10⅞ p.c. from 11⅛-11¼ p.c.

Day-to-Day credit was in good supply overall and the authorities did not intervene. Banks carried forward surplus balances from Friday and Government disbursements exceeded revenue payments to the Exchequer. On the other hand settlement was made of official sales of gilt-edged stock.

Discount houses paid about 9 p.c. for secured call loans in the early part and closing balances were found at 7¾-8 p.c.

In the interbank market overnight loans opened at 9-9½ p.c. and eased to 7¾-8 p.c., before closing at 10½-11 p.c.

Rates in the table below are nominal in some cases.

| June 7 1976 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposit | Treasury Bills | Eligible Bank Bills | Fine Trade Bills |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 2 days notice | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 7 days notice | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| One month | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Two months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Three months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Six months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Nine months | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| One year | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Two years | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates [illegible] Finance House Base Rates (published by the Finance Houses Association) 10 per cent. from June 1, 1976. Clearing Bank Deposit Rates for sums at seven days' notice [illegible] Clearing Bank Base Rate for lending 11½ per cent. Treasury Bills: Average tender rates of discount [illegible]

## BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Cayzer Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
• 7-day deposits 6½%, 1-month deposits [illegible]
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 [illegible], over £25,000 [illegible]
‡ Demand deposits 6½%.
§ Call deposits over £1,000 [illegible]

**CORAL INDEX:** Close 330-335

## INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

# AUTHORISED UNIT TRUSTS

**Framlington Unit Mgt. Ltd.**
5-7, Ireland Yard, EC4B 5BR. 01-248 6971

| | | | | |
|---|---|---|---|---|
| Capital Tst. | 56.2 | 59.6 | ... | 5.27 |
| Income Tst. | 54.6 | 58.0 | ... | 7.64 |

**Friend's Provdt. Unit Tr. Mgrs.**
Pixham End, Dorking. 0306 5055

| | | | | |
|---|---|---|---|---|
| Friends Prov. Uts. | 29.0 | 31.0 | +0.2 | 5.06 |
| Do. Accum. | 34.8 | 37.2 | +0.2 | 5.06 |

## REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Albany Inv. 20p | 18 | ..... | Higsons Brew. | 93 | ..... | IRISH | | |
| Ash Spinning | 34 | ..... | I.O.M. Stm. £1 | 133 | ..... | Conv. 9% '80/82 | £90¼ | ..... |
| Bertam | 23 | ..... | Holt (Jos.) 25p | 250 | ..... | Alliance Gas | 65 | ..... |
| Bdg'wtr. Est. 50p | 135 | ..... | Kleen-e-Ze | 27 | ..... | Arnott | 225 | ..... |
| Clover Croft | 30 | ..... | Lovell's Ship £1 | 100 | ..... | Carroll (P.J.) | 113 | ..... |
| Craig & Rose £1 | [illegible] | ..... | Nthn. Goldsmith | 44 | ..... | Clondalkin | 44 | ..... |
| Dyson (R.A.) | 18 | ..... | P.M.A. | 40 | +3 | Concrete Prods. | 55 | ..... |
| Ellis & McHdy. | 65 | ..... | Pearce (C. H.) | 80 | ..... | Heiton (Hldgs.) | 32 | ..... |
| Evans F'r'k. 10p | 25 | ..... | Peel Mills | 14 | ..... | Ind. News | 40 | ..... |
| Everced | 12 | +2 | Robb Caledon £1 | 30 | −2 | Ins. Corp. | 160 | ..... |
| Fife Forge | 45 | ..... | Sayers 12½p | 13 | ..... | Irish Distillers | 58 | ..... |
| Finlay Pkg. 5p | 16½ | ..... | Sheffield Brick | 66 | ..... | Irish Ropes | 115 | ..... |
| Frost & Reed 50p | 152 | ..... | Sheff. Refrshmt. | 140 | ..... | Jacob | 61 | ..... |
| Graig Ship. £1 | 322 | +12 | Shiloh Spinn. | 26 | ..... | Sunbeam | 12 | ..... |
| Hallam Sleigh 10p | 8 | ..... | Sindall (Wm.) | 90 | ..... | T.M.G. | 92 | ..... |
| | | | | | | Unidare | 70 | ..... |

# INSURANCE, PROPERTY, BONDS

# OFFSHORE AND OVERSEAS FUNDS

**Singer & Friedlander Ldn. Agents**
20, Cannon St., EC4 01-248 9646

| | | | | |
|---|---|---|---|---|
| Dekafonds | DM25.30 | 27.70 | | 7.54 |
| Tokyo Tst. June 1 | $US24.58 | | | 2.36 |

**Slater Walker Ins. Co. (C.I.) Ltd.**
2, Grange Place, St. Peter Port, Guernsey

| | | | | |
|---|---|---|---|---|
| Worldwide June 4 | | 60.4 | | 3.00 |

**Slater Walker Tst. Mgt. (Jersey) Ltd.**
26, Church St., St. Helier, Jersey. 0534 37361

| | | | | |
|---|---|---|---|---|
| Growth Invest. | 259.1 | 280.1 | ... | 1.00 |
| Intnl. Fd. | 61.4 | 66.4 | | 1.00 |
| Jersey Energy Tst. | 134.7 | 145.5 | | 1.00 |

Value June 4. Next dealing June 7.

**Surinvest Copper Trust Mngrs. Ltd.**
P.O. Box 98, St. Helier, Jersey 0534 29198

| | | | | |
|---|---|---|---|---|
| Surinvest Cpr. Tst. | 13.03 | 14.57 | −0.07 | — |

**Surinvest Trust Managers Limited**
50, Athol Street, Douglas, I.o.M. 0624 23914

| | | | | |
|---|---|---|---|---|
| The Silver Trust | 105.0 | 110.5 | −1.1 | — |

**TSB Unit Trust Managers (C.I.) Ltd.**
Bagatelle Rd., St. Saviour, Jersey 0534 73494

| | | | | |
|---|---|---|---|---|
| T.S.B. Units | 142.4 | 149.9 | | 4.10 |

Prices on June 2. Next sub. day June 3.

**Warburg Invest. Mngt. Jrsy. Ltd.**
1 Charing Cross, St. Helier, Jsy., C.I. 0534 29041

| | | | | |
|---|---|---|---|---|
| CMF Ltd. May 27 | $US29.51 | 10.07 | | — |
| CMT Ltd. May 27 | £9.32 | 9.55 | | — |
| Metals Tst. May 20 | £12.49 | 12.80 | | — |
| TMT May 13 | $US11.29 | 11.59 | | — |
| TMT Ltd. May 13 | £11.66 | 11.96 | | — |

**World Wide Growth Management**
10a, Boulevard Royal, Luxembourg

| | | | | |
|---|---|---|---|---|
| Wrld Wide Gth. Fd. | $US12.03 | | | — |

### NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. k Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ‡ Suspended. † Single premium insurance bonds.

## COMPANY NOTICES

**GENERAL MINING AND FINANCE CORPORATION LIMITED**
(Incorporated in the Republic of South Africa)

*Notice to Holders of* SHARE WARRANTS TO BEARER

A circular to shareholders and notice convening a general meeting to be held at the office of the company in Johannesburg at 9.30 a.m. on Tuesday, 29th June, 1976, for the purpose of considering and if thought fit of passing, with or without amendment, resolutions which will be proposed as special Resolutions:—

(1) Increasing the Ordinary Share Capital of the company;

(2) Authorising the directors to allot and issue 2,400,000 ordinary shares to Federale Mynbou Beperk or its nominees credited as fully paid up against delivery by Federale Mynbou Beperk of 12,222,240 shares in Union Corporation Limited, subject to and upon the terms of the circular.

is being posted to registered shareholders to-day.

Holders of bearer warrants may obtain copies of the circular and notice of meeting from:—

Bearer Reception Office,
Charter Consolidated Limited,
7 Rolls Building,
London, EC4.

**COMPANHIA DE DIAMANTES DE ANGOLA**

(Angola Diamond Company)

Holders of Share Warrants to Bearer in the above Company are hereby informed that Coupons Nos 69 and 70 will become prescribed on June 21, 1976. Any outstanding coupons should therefore be presented for payment before that date.

*By Order of the Board*
FELIX NEUBERGH, Financial Agent.
Lisbon.
June 5, 1976

**EUROFIMA**
**SOCIETE EUROPEENNE POUR LE FINANCEMENT DU MATERIEL FERROVIAIRE**
Registered Office:
"Rittenhof" Rittergasse 20
CH-4001 BASLE 1 (Switzerland)

**INTERNATIONAL BOND ISSUE**
**8¼% 1971-78 of FF 50,000,000**

We inform the bondholders that from the 2,500 bonds of FF 5,000 each totalling FF 12,500,000, due for amortisation on the 1st August 1976, 1,300 bonds have been purchased on the market.

Consequently, a drawing was made on Friday 28th May 1976 in respect of the remaining 1,200 bonds of FF 5,000 each. These 1,200 drawn bonds have numbers which fall within the following group of numbers:

4,684 to 7,468

and any bondholder with bonds bearing any number from 4,684 to 7,468 inclu...

## PERSONAL

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

| 1976 High | 1976 Low | Stock | £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| | | "Shorts" (Lives up to Five Years) | | | | |
| 99½ | 92 | Treasury 6½pc 1976‡‡ | 99⅛ | + | 6.56 | 10.98 |
| 98⅝ | 98⅝ | Victory 4pc 1976‡‡ | 98⅝ | ... | 4.04 | — |
| 101 | 99 | Treasury 10½pc 1976‡‡ | 99 xd | + | 10.51 | 10.74 |
| 98 | 95 | Treasury 6¼pc 1977‡‡ | 95¼ | +¼ | 6.45 | 10.72 |
| 97¼ | 94½ | Electric 3pc '74-77 | 95½ | +½ | 3.14 | 9.16 |
| 103 | 92 | Treasury 11½pc '77‡‡ | 100 | +¼ | 11.50 | 11.39 |
| 94 | 91 | Treasury 3pc '77‡‡ | 93 xd | + | 3.20 | 7.56 |
| 94⅜ | 92¼ | Transport 4pc '72-77 | 94 xd | + | 4.24 | 8.02 |
| 99 | 90½ | Treasury 9pc 1978‡‡ | 96 | + | 9.36 | 11.44 |
| 101½ | 97 | Treasury 10½pc '78‡‡ | 98 | + | 10.64 | 11.25 |
| 93⅛ | 89⅝ | Exchequer 5pc '76-78‡‡ | 91 | +½ | 5.46 | 9.09 |
| 103 | 97⅞ | Treasury 11½pc '79‡‡ | 99 | + | 11.57 | 11.73 |
| 88⅛ | 83⅝ | Treasury 3pc '79‡‡ | 86½ | +½ | 3.47 | 7.78 |
| 89⅝ | 73 | Electric 4¼pc '74-79 | 87½ | +½ | 4.86 | 8.67 |
| 100 | 94⅞ | Treasury 10½pc '79‡‡ | 96½ | +¼ | 10.88 | 11.74 |
| 88⅛ | 83⅝ | Electric 3½pc '76-79 | 86½ | −½ | 4.05 | 8.05 |
| 96 | 90¼ | Treasury 9pc 1980‡‡ | 92 | +½ | 9.78 | 11.67 |
| 96½ | 91¼ | Treasury 9½pc '80‡‡ | 92¼ | + | 10.24 | 11.85 |
| 86 | 62¼ | Treasury 3½pc '77-80 | 84½ xd | +½ | 4.14 | 8.10 |
| 88½ | 71 | Funding 5¼pc '78-80‡‡ | 87 xd | +½ | 6.00 | 9.03 |
| 103 | 96 | Treasury 11½pc 1981 | 98⅞ | +⅝ | 11.59 | 11.96 |
| 86 | 79 | Treasury 3½pc 1979-81 | 80½ | +½ | 4.34 | 8.64 |
| 95⅝ | 90⅛ | Treasury 9¾pc 1981‡‡ | 91 | −½ | 10.60 | 11.97 |
| | | Five to Fifteen Years | | | | |
| 94⅛ | 86⅛ | Treasury 8½pc '80-82‡‡ | 90 | +⅛ | 9.82 | 11.81 |
| 107¼ | 99⅞ | Treasury 12pc 1983‡‡ | 100 | +⅛ | 12.33 | 12.59 |
| 81⅛ | 73¼ | Funding 5½pc '82-84‡‡ | 77 | +⅛ | 7.27 | 10.16 |
| 87⅝ | 79⅞ | Treasury 8½pc '84-86‡‡ | 80 xd | +⅛ | 10.48 | 11.76 |
| 74⅞ | 67¼ | Funding 6½pc '85-87‡‡ | 65¼ | +⅛ | 9.62 | 11.87 |
| 77⅝ | 71 | Treasury 7¾pc '85-88‡‡ | 74 | +⅛ | 10.83 | 12.43 |
| 51¼ | 45⅝ | Transport 3pc '78-88 | 47 xd | +¼ | 6.31 | 10.93 |
| 59¼ | 52¼ | Treasury 5pc '86-89 | 53¼ | +¼ | 9.43 | 12.21 |
| 103¼ | 96 | Treasury 13pc 1990‡‡ | 99½ | +¼ | 13.78 | 13.92 |

## Over Fifteen Years

## Undated

## **INTERNATIONAL BANK

## **CORPORATION LOANS

## COMMONWEALTH & AFRICAN LOANS

## LOANS (Miscel.)

## FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

## AMERICANS

S.E. List Premium 43½% (based on $1.7250 per £)

Conversion factor 0.6964 (0.6994)

## CANADIANS

S.E. List Premium 43½% (based on $1.6870 per £)

## BANKS AND HIRE PURCHASE

## Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER & ROADS

## BUILDING INDUSTRY—Continued

## CHEMICALS, PLASTICS

## CINEMAS, THEATRES AND TV

## DRAPERY AND STORES

## DRAPERY AND STORES—Continued

## ELECTRICAL AND RADIO

## ENGINEERING, MACHINE TOOLS

## ENGINEERING—Continued

## FOOD, GROCERIES, ETC.

## HOTELS AND CATERERS

## HOTELS—Continued

## INDUSTRIALS (Miscel.)

مكتبة الأصل

## MINES—Continued

### FAR WEST RAND

| 1976 High | 1976 Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 710 | 350 | Blyvoor 25c | 530 | ..... | ‡Q100c | 1.3 | ‡ |
| £14 | 785 | Buffels R1 | £10 | −¼ | Q125c | ◆ | 7.6 |
| 198 | 95 | Deelkraal R0.20 | 144 | −1 | — | — | — |
| 760 | 330 | Doornfontein R1 | 430 | ..... | ‡Q110c | 1.4 | ‡ |
| 965 | 640 | East Drie R1 | 810 | −10 | Q75c | 1.7 | 5.5 |
| 280 | 160 | Elandsrand Gld. 20c | 215 | −5 | — | — | — |
| 190 | 112 | Elsburg R1 | 126 | −4 | ‡Q38c | 1.0 | 15.9 |
| £16½ | £11¼ | Hartebeest R1 | £14½ | ..... | Q215c | 1.4 | 8.8 |
| 695 | 420 | Kloof Gold R1 | 485 | −10 | Q55c | 1.4 | 6.7 |
| 760 | 400 | Libanon R1 | 450 | −5 | ‡Q110c | 1.9 | ‡ |
| 740 | 335 | Southvaal 50c | 570 | −10 | Q8c | 1.3 | 0.8 |
| 245 | 140 | Stilfontein 50c | 195 | −5 | ‡Q36c | 2.2 | ‡ |
| £20½ | £10¾ | Vaal Reefs 50c | £15½ | −½ | Q175c | 2.1 | 6.[illegible] |
| 420 | 175 | Venterspost R1 | 205 | −15 | ‡Q70c | 1.9 | ‡ |
| £35 | £19¾ | W. Drie R1 | £24¼ | −¼ | ‡Q485c | 1.2 | ‡ |
| 315 | 165 | Western Areas R1 | 193 | −2 | ‡Q52c | 1.4 | 16.0 |
| £15¾ | 790 | Western Deep R2 | £10¼ | −¼ | Q147½c | 1.6 | 4.3 |
| 290 | 190 | Zandpan R1 | 235 | −5 | Q35¼c | 1.0 | 9.0 |

### O.F.S.

| 1976 High | 1976 Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 170 | 75 | Free State Dev. 50c | 110 | ..... | Q14c | 1.6 | 7.5 |
| £22½ | £12 | F.S. Geduld 50c | £14¼ | −¼ | ‡Q330c | 1.3 | ‡ |
| 200 | 57 | F.S. Saaiplaas R1 | 155 | −10 | 26c | ○ | 2.3 |
| 465 | 295 | Harmony 50c | 400 | ..... | Q65c | ◆ | 9.6 |
| 195 | 70 | Loraine R1 | 133 | ..... | Q6c | 0.5 | 2.7 |
| £18½ | 950 | Pres. Brand 50c | £13½ | ..... | ‡Q250c | 1.3 | ‡ |
| £13 | 700 | Pres. Steyn 50c | 820 | −20 | ‡Q125c | 2.2 | ‡ |
| £23 | £12 | St. Helena R1 | £15½ | −¼ | ‡Q250c | 1.2 | ‡ |
| 174 | 86 | Unisel | 122 | −5 | — | — | — |
| 330 | 220 | Welkom 50c | 260 | −5 | ‡Q55c | 1.7 | ‡ |
| £25½ | £14 | W. Holdings 50c | £18¾ | −¼ | ‡Q475c | 1.2 | ‡ |

### FINANCE

### DIAMOND AND PLATINUM

### CENTRAL AFRICAN

### AUSTRALIAN

### TINS

### COPPER

### MISCELLANEOUS

| 1976 High | 1976 Low | Stock | Price | + or − | Div Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 10 | 8 | Burma Mines 17½p | 9 | ..... | 0.1 | ◆ | 1.9 |
| 39½ | 23 | Charter hall 5p | 25½ | ..... | — | — | — |
| 965 | 580 | Cons. Murch. 10c | 850 | ..... | Q80c | 1.8 | 5.6 |
| 55 | 25 | Lauruslu | 45 | ..... | — | — | — |
| 455 | 245 | Northgate C$1 | 355 | −5 | Q25c | 0.3 | 3.7 |
| 239 | 178 | R.T.Z. | 212 | +2 | 5.42 | 2.1 | 3.8 |
| 112 | 84 | Sabina Inds. C$1 | 85 | −1 | — | — | — |
| £14¾ | £10 | Tara Expln. $1 | £14½ | +¼ | — | — | — |
| 132 | 64 | Yukon Cons. C$1 | 130 | −2 | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- ◆ Figures or report awaited.
- †† Unlisted security.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ◆ Merger bid or reorganisation in progress.
- ◆ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1975 profits
- ; Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1975. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES

Tuesday June 8 1976



# Arab League meeting called as Syrian tanks advance

BY JAMES BUXTON

THE CIVIL WAR in Lebanon intensified sharply yesterday with major advances by Syrian forces on land and action by air force jets and naval ships. As Syrian tanks advanced towards Beirut and strategic points in the mountains, an official Damascus statement fiercely attacked the Palestinian guerillas. For the first Fatah, accusing it of trying to partition Lebanon and increase the bloodshed.

The verbal attack suggested that the civil war was drifting further towards open conflict between the Syrians and the Palestinian guerills. For the first time, the guerillas and their Left-wing Lebanese allies were branding the Syrian intervention as another "Black September," a reference to King Hussein's crushing of the Palestinian organisation in Jordan in September, 1970.

Officially, however, the Syrian aim is to mediate between the opposing Moslem and Christian sides, to restore peace and end the civil war. Egyptian fears that Syria may in the process become too powerful have led to Cairo giving its support to the Palestinians.

In Cairo, it was announced that the Arab League Foreign Ministers will hold an emergency meeting to-morrow to discuss the crisis. But observers said that Syria might not attend and there was uncertainty over what the meeting could achieve, given the deep rift between Syria and Egypt which resulted in the two countries closing their embassies at the week-end.

In Damascus, President Hafez Assad for the second day running conferred with Major Abdel-Salam Jalloud, the Libyan Prime Minister.

## On two fronts

In Lebanon, Syrian forces were reported to be advancing on two fronts. From the Bekaa valley they were reported to be moving down the Damascus-Beirut road towards the town of Aley, the headquarters of Mr. Kamal Jumblatt, the Left-wing leader. Mr. Jumblatt claimed that his men had destroyed four out of six approaching Syrian tanks.

On the other front, the Syrians had apparently reached a position from which to shell Palestinian and Left-wing positions in the mountains to the north-east of Beirut. There was also a report that Syrian warships had shelled a Lebanese air force base at Qolayaat in the far north, apparently with the intention of handing it over to the "Vanguards of the Lebanese Army," the nucleus of a new national force which the Syrians are trying to estabilsh.

Syrian aircraft, supported by pro-Syrian Lebanese aircraft, flew sorties in support of the forces on the ground and continually flew low over Beirut.

According to an anti-Syrian radio station quoted by Reuter, Syrian forces reached a point 14 km from the capital at the strategic crossroads at Mdetrej. There are now estimated to be about 25,000 Syrian troops in the country, including the 6,000 who entered last week and the pro-Syrian Palestinian forces.

It is difficult to gauge the strength of resistance to the Syrian forces, but there have been reports of hundreds of casualties in fierce fighting. The Palestinians regard the Syrian intervention as a crucial threat to their future and are prepared to fight hard.

The aliance of Palestinian and Left wing forces also had to contend with local pro-Syrian groups. In Beirut, there was heavy fighting between Al-Fatah and the Syrian-backed Saiqa guerilla group. Smoke was reported to be billowing from the Palestinian refugee camps around the capital. Fatah accused Saiqa of bombarding the camps with rocket and mortar fire. The anti-Syrian forces also faced the threat of attack by the right wing Christian forces.

Reports from Israel suggested that although the Israeli Government was watching the situation closely it did not feel that its own interests were being threatened. But it was noted that the number of Soviet ships in the Mediterranean had nearly reached the level preceding the 1973 October war.

## Show of strength

Seventy ships are now reported in the Mediterranean, compared with the usual 50 or 60. Israel sees the Soviet naval build-up as a show of strength to dissuade any other State from intervening in Lebanon.

In Damascus, the talks between Major Abdel Salam Jalloud, the Libyan Premier, and President Hafez Assad apparently concentrated on the formula for a cease-fire. Libya wants to create a common fighting front against Israel uniting the Palestinians, Syria and Iraq, and rejecting the Egyptian approach to a peaceful settlement of the Middle East conflict.

Syrians launch offensive, Page 8

# Bank issues £800m. tap stock

BY MICHAEL BLANDEN

THE BANK of England took advantage yesterday of the more optimistic mood in the City and the recovery of sterling to announce the issue of £800m. more of Government stock.

The issue is at the long end of the market and is designed to replace the previous official long "tap" stock which ran out nearly three weeks ago. It is one of the largest in recent history, equalling the amount issued as a short tap earlier this year.

The move was carefully timed to coincide with the announcement of the $5.3bn. standby arrangement and with the Chancellor's statement. It will enable the Bank to take advantage of the improvement in the gilt-edged market to make a further contribution to financing the Government's part of the £12bn. 1976-77 public-sector borrowing requirement.

## Well received

It will also give the Bank a line of stock to influence the long end of the market. With the stock dated rather longer than the market had been expecting, it is thought that the issue will discourage a further sharp rise in the long stocks, though there could now be renewed interest in the short end of the market.

The news was quite well received in the market, which had already seen useful gains on the strength of the recovery in sterling. The terms of the issue were pitched very much in line with the level of the market after its earlier rises.

Though there was some reaction at the long end, the long-dated stocks ended with gains of up to ½, while short stocks were up to ⅜ better. The Financial Times Government securities index rose 0.29 to 61.67.

The Bank has been without a tap stock at the long end since the Treasury 12¾ per cent. 1993 was exhausted in a burst of buying on May 19. Since then the pressure on sterling has made conditions unsuitable for a further issue, particularly on the last three Fridays (the normal day for such announcements).

## Low profit

The pound had dropped from the $1.8085 at which it stood on May 19 to last week's low point of $1.70975, and the gilt-edged index slipped from the level of 63.83 at which it stood then.

The new stock is £800m. of 13¼ per cent. Exchequer Loan due for redemption in 1996. The title "Exchequer" has been used instead of the more normal "Treasury" to avoid possible confusion with other similar stocks.

The stock is being issued at a price of £94 per cent. to give a flat yield of 14.10 per cent. and a return to redemption of 14.17 per cent.

THE LEX COLUMN

# Renewed emphasi on gilt sales

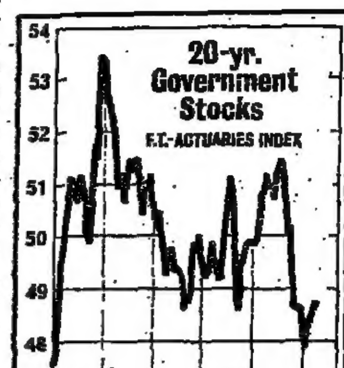
The authorities achieved their desired effect on sterling yesterday (admittedly on a day when most Continental markets were closed) by putting together a conventional but massive overseas central bank support operation, which for good measure was timed to coincide with the favourable miners' vote. They also chose to throw in the new gilt-edged long tap which has had to be deferred for several Fridays past. The immediate reaction in equities was favourable—the 30-Share Index rose over five points between 3 p.m. and the close—and short gilts were fairly firm but the new tap has left little room for any advance at the long end. The large (£800m.) tranche of 13¼ per cent. Exchequer 1996 yields almost 14.2 per cent. to redemption, confirming the rise in yields of getting on for a point since the last long tap was launched in February.

The backing for sterling should mean that the crisis will be patched over in the short run. In particular the pressure should be taken off MLR, which will not now rise although it is unlikely to fall significantly either. But an underlying feeling was evident in the City last night that this is simply a package to buy time and nothing has been done to solve any longer run problems. Speaking in Parliament the Chancellor gave no concessions either on public spendin gcuts or a specific money supply target, although he admitted that the economy has been recovering faster than foreseen in his Budget forecasts, which is bound to increase the financial pressures later in the current year.

Where this is now showing up is in the financing of the public sector deficit. The Chancellor yesterday reaffirmed his determination to sell gifts as "the most important objective" in the monetary field. That is not the best way to get the gilt-edged market in good heart. And effectively the terms of the new tap mean that long rates have been hoisted by around three-quarters of a point since the institutions were buying out the 1993 tap last month.

The choice of a Monday rather than a Friday for the tap announcement also indicates a certain amount of urgency. And obviously there will be plenty taps more where this one came from. For equities the message is that all the reverse yield gap problems of the past year will continue, although at around 8½ per cent. currently the gap is not so high as to pose an actual threat.

Index rose 4.5 to 383.0




There will be a tricky problem for the Bank of England over this summer in deciding how much of the swaps to draw and what to take as a target rate fo rsterling. The intriguing point is that if the authorities get too involved in this short term credit the next step—after three or at the most six months—would have to be an application to the IMF. Mr. Healey was quite specific about this. Such a move, of course, is what the stock market would most like to see

## Hanson

Its U.S. acquisitions account for a large part of Hanson Trust's profits gain from £5.7m. to £7.8m. in the half-year to March, and the same applies to its forecast of a substantial increase for the year as a whole. But debt-financed acquisitions are not all good news when sterling is under pressure. Last September, the group's longer term loans amounted to £11.7m.; by March they were u pto £42m. (mostly in dollars), and although there have been no further purchases they have subsequently risen to £51m., which is right in line with shareholders' funds. In addition, roughly a fifth of the £30m. or so of net cash balances, which are mainly in the U.K., is tied up as part of back-to-back loan arrangements.

Hanson maintains that its strength in these circumstances is that its U.S. purchases have all had strong asset backing, and are producing a good level of profits and cash flow. Its latest acquisition, Hyg... be coming in for the ... in the current half, and ... operation as a whole ... be running at an ... of $20m. or more after ... ing charges. Further ... animal feedstuffs are ... to do very much better ... 1977 after a profits ... around one-third in ... terms so far this year ... although the textile ... running close to ... cyclical peaks. Hanson ... there is still considerable ... for improvement in ... yarn dyeing and double ...

Meanwhile the U.K. ... recovering, thanks ... building materials, and ... profits this year could ... £12.1m. to something ... ing £17m. pre-tax. The ... account for something ... three-fifths of this ... the stability and ... growth prospects of the ... businesses are as yet ... Moreover the figures ... some £1m. pre-tax ... attributable to the U.S. ... shareholder, Mr. Gordon ... for the full year. So ... the prospective p/e ... barely into double figures ... this basis — and the ... not apparently planning ... more significant share ... after some sizeable sales ... first half — these figures ... unlikely to produce any ... burst of enthusiasm.

## Welfare/K & H

Two months after ... Insurance announced the ... bility of a bid for Kemp ... Henderson, the two sides ... still talking. But the ... of an agreed bid look ... Welfare now says that in ... event it will make a cash ... of 90p per share, which is ... a third more than the ... before the news—but is ... lower than the current ... price, and may be as much ... third below the figure ... K & H has in mind.

Welfare says that its ... based on the advice of ... sional valuers, and also ... account of its "cheap" ... the company (shares ... Life/Artagen). But perhaps ... strongest card in this ... bluff is that it can no longer ... seen as a distressed buyer ... impact of the latest insurance ... regulations on its existing ... interest in K & H no ... looms so large now that ... coming wholly under the ... of London and Manchester ...

# Haw Par's London Tin stake sold for £11.6m.

By Margaret Reid

IN AN £11.6m. conditional cash deal, Haw Par Brothers International, the Singapore group, yesterday sold its 30 per cent. stake in London Tin Corporation, the world's largest tin group, to British investing institutions for 178p a share.

The transaction coincided with the announcement of conditional terms for the expected bid by the Malaysian State-owned Pernas Securities for the whole of London Tin, including the share block sold yesterday, on terms valuing that group, other than Pernas' own 20 per cent. interest, at some £35m.

The disposal by Haw Par, through its British subsidiary, Haw Par (London) of its big shareholding in London Tin for an £11.6m. cash price in Britain is bound to revive hope of a settlement of the group's prolonged loan dispute with Slater Walker Securities.

SWS, where Sir James Goldsmith took over as chairman last October from Mr. Jim Slater, has a $29m. (£16½m.) loan—one of its largest assets—outstanding to Haw Par. The long controversy over it has involved legal action.

The fact that Haw Par will now have a very large cash sum in hand in London inevitably raises the question whether the way will be opened for progress towards a settlement. Already, some $13½m. (£7.5m.) has been placed by Haw Par in a joint account of itself and SWS in London, pending a resolution of the dispute. SWS meanwhile holds a charge on some 2m. of the 6.5m. London Tin shares sold yesterday, the release of which is one of the conditions of the London Tin share sale.

Pernas yesterday announced that, subject to necessary British official consents, it proposes, through a Malaysian subsidiary, to bid for all outstanding shares in London Tin, with whose Board the plan is being discussed. The statement fixed the proposed terms of the offer at SM6.04 per London Tin share, equivalent to 137.4p a share.

## Consent needed

With the addition of the investment premium, at yesterday's rate of 43.31 per cent., this would give the offer a value of accepting British holders of 197¼p. This was the figure at which the City Take-over Panel last summer required Pernas and/or Haw Par to make a bid for the balance of London Tin shares.

The Panel, which has blessed the present plans, did not require Pernas, which is discharging the obligation, to extend its offer to the 30 per cent. of London Tin shares then held by Haw Par, but Pernas yesterday indicated it would do so. London Tin shares closed 13p up at 170p last night.

Yesterday's sale by Haw Par of its London Tin shares is conditional on several factors including consents from the Singapore authorities, the making of the Pernas bid (itself dependent on U.K. official approvals), Take-over Panel consent and the release of charges on the shares.

The transaction is also dependent on approval by Haw Par London shareholders. To win the consent of holders of this company's 4½ per cent. convertible redeemable preference shares, mainly members of the public, whose approval to the sale of the London Tin shares is necessary, capital changes at Haw Par London are proposed.

These would considerably strengthen the value of these preference shares. The proposals include one to capitalise £4m. of the Haw Par London inter-group loan account by paying up that amount in additional ordinary shares.

# Spending by manufacturers may rise 15% in 1977

BY ADRIAN HAMILTON

THE DECLINE in manufacturing investment in the U.K. is levelling out and capital expenditure should be boosted by as much as 15 per cent. over the next year, according to the Department of Industry's latest survey of industry's investment intentions.

While the recent survey, carried out in April/May, has caused the Government marginally to improve its previous forecasts for manufacturing investment, however, it has tended to become rather more pessimistic about investment among the distributive and service industries.

Previously the Department had been predicting a fall in investment by these industries of the order of 2 to 5 per cent. this year. Now it is looking for a fall of 5-6 per cent., with little if any real recovery in 1977.

The combination of a sharp rise in capital expenditure by manufacturing industry next year and a static picture for the service industries would imply a distinct reversal of the traditional trend in which the service industries have gradually increased their proportion of total investment.

If borne out by experience, it would do much to fulfil the Government's strategy for diverting resources from domestic consumption fed by growing imports towards manufacturing activity with a rising export content.

At this stage, however, it is far from clear that the rise in capital expenditure by the manufacturing industries themselves will be large and sustained enough to achieve the growth of this sector implied by the Treasury's short-term forecasts in the Budget and Public Expenditure White Paper of earlier this year.

## Unprecedented

To meet the Government's targets, manufacturing industry would need to raise its capital expenditure in real terms by at least 15 per cent., next year and achieve an almost unprecedented high rate of further growth through 1978 and 1979.

The Department of Industry's latest survey of company intentions gives, it is true, some encouragement for this. After an unusually sharp and sudden fall in expenditure last year, to £1.8bn. at 1970 prices, the decline appears to be levelling off rather sooner than was experienced in previous cycles.

The Department's figures suggest that manufacturing investment this year will stabilise at a 5 per cent. further fall to some £1.7bn. at 1970 prices, or around £4bn. at current prices, and will start to rise sharply at the turn of the year to £1.95bn. at 1970 prices, or just over £5bn. in current prices in 1977.

But the forecasts, while broadly in line with predictions by other institutions such as the CBI for this year, are considerably higher than most surveys suggest for next year.

Industry is showing concern that the Government is not willing to change the price code as radically as had been hoped and many companies appear to be holding back on expenditure for fear that another commodity boom or a surge in inflation rates might eat up their capital at a time of restocking and growing demand.

Even if the 15 per cent. growth does prove true, the level reached would still be short of that achieved at the peaks of previous cycles.

On the distributive and services side, meanwhile the Department's forecasts suggest that expenditure, which fell to £1.7bn. last year, will drop further to £1.6bn. this year at 1970 prices, or around £3.5bn. at current prices, and is unlikely to rise to much more than £1.65bn. next year.

Respondents in the latest survey accounted for about 50 per cent. of the capital expenditure of manufacturing industry and 35 per cent. of expenditure in the distributive and service industries.

A final estimate for 1976 and a "more firmly-based estimate" for 1977 will be published in early October.

U.S. capital spending plans cut Page 5

Continued from Page 1

# $5bn. standby credits boost £

representing nearly all leading industrial countries apart from Italy—as an example of the Rambouillet agreement to stabilise floating currencies.

The official statement, which was approved by all the central banks involved, read: "Financial authorities from the Group of Ten countries and Ewitzerland, together with the Bank for International Settlements, noting that the recent fall in the value of sterling under exchange market pressure had led to disorderly market conditions which carried sterling to an unjustified level, to-day agreed, in the common interest of bte stability and efficient functioning of the international monetary system, to make available to the Bank of England a standby credit in excess of $5bn."

But the fact that no U.K. policy commitments have been required is being claimed by the Government as an endorsement of its present strategies.

The U.S. Government has gone some way to confirm this by making $1bn. available from the stabilisation fund of the U.S. Treasury, though the whole of the $2bn. U.S. contribution could readily have been made available from the standing $3bn. swap arrangement with the Federal Reserve.

Since a quarter to a half of the loss of U.K. reserves since March is officially attributed to commercial leads and lags, the authorities hope that with a return to a two-way market in which sterling is seen to rise as well as fall as a result of commercial pressures, there may soon be a large reflux of funds, despite the continuing current account deficit.

For this reason, not only is it stressed that the need for credit support is essentially short-term, but the Chancellor felt able to tell the House of Commons that "no borrowing is involved." The credits will be drawn "only if needed."

Apart from the announcement of the standby agreement, the news of the endorsement of the Government-TUC pay accord in the miners' ballot strongly helped sentiment in the currency markets, especially in New York. Fears over the possible outcome of the ballot were a strong bear factor early last week.

**David Bell adds from Washington:** The $2bn. of U.S. credits was announced here to-day. Mr. Healey was speaking in the Commons. There was no comment from either the U.S. Treasury or the Federal Reserve each of which subscribed $1bn., but it is understood that the Treasury's participation in the scheme is intended as a clear demonstration of U.S. Government support for Mr. Healey's policies.

It was pointed out that it could have been left to the Fed. to provide the U.S. contribution out of the existing $3bn. swap agreement. The Fed. has used only $1bn. of its line and a spokesman confirmed to-day that the other $2bn. is available for the future. The other $1bn. came from the Treasury's exchange-stabilisation fund.

Continued from Page 1

# Shadow Cabinet

of aggrieved parties to petition Parliament direct still remained, despite the Government's disputed majority of one for a motion circumventing a ruling of the Speaker that the Bill was hybrid.

He urged Mr. George Thomas, the Speaker, to rule that consideration of the Bill should be stopped until any petitioners had been given an opportunity to present their case for exclusion from the Bill at the bar of the Commons.

Mr. Maxwell-Hyslop disclosed later that he had received 19 petitions for exclusion from the Bill. These came not only from shareholders and directors, but from shop stewards and members of the Amalgamated Union of Engineering Workers, the Boilermakers Amalgamation and the Transport and General Workers' Union.

If the Speaker rules in Mr. Maxwell-Hyslop's favour the lengthy process of hearing all the petitions would go ahead, making completion of the Bill in this session an impossibility.

In any event, the Conservatives believe that the chances of the Bill becoming law this session—it had to be dropped last year because of lack of Parliamentary time—are decreasing.

## Weather

**U.K. TO-DAY**

SUNNY and dry, some rain likely in W. regions.

**London, E. Anglia, E., S.E., N.E., N.W. and Cent. England, Midlands, Channel Is., Lakes**

Dry, sunny period. Wind S.E light. Max. 25-28C (77-82F). Cooler on coasts.

**S.W. England, Wales, Isle of Man**

Sunny periods, showers likely later. Wind S.E., light. Max. 20-24C (68-75F).

**S.W., N.E. and N.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll, N. Ireland**

Cloudy, rain in places. Wind S.E., light or moderate. Max. 16-19C (61-66F).

**Borders, Edinburgh, Dundee, Aberdeen**

Sunny periods. Wind S.E., light or moderate. Max. 22-25C (72-77F). Cooler on coasts.

**Outlook:** Showers or rain.

**Lighting-up:** London 21.44, Manchester 22.04, Glasgow 22.28, Belfast 22.26.

**BUSINESS CENTRES**

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Alexandria | S | 32 | 90 | Madrid | S | 25 | 77 |
| Amsterdam | S | 23 | 73 | Manchstr. | F | 22 | 72 |
| Athens | S | 25 | 77 | Melbourne | S | 12 | 54 |
| Barcelona | S | 21 | 70 | Milan | S | 25 | 77 |
| Belfast | C | 19 | 66 | Montreal | S | 22 | 72 |
| Belgrade | R | 13 | 55 | Moscow | F | 14 | 57 |
| Berlin | S | 23 | 73 | Munich | S | 19 | 66 |
| Birmghm. | F | 23 | 73 | Newcastle | F | 21 | 70 |
| Bristol | C | 21 | 70 | New York | S | 22 | 72 |
| Brussels | S | 25 | 77 | Oslo | S | 22 | 72 |
| Budapest | F | 23 | 73 | Paris | S | 26 | 79 |
| B. Aires | S | 10 | 50 | Perth | S | 19 | 66 |
| Cairo | S | 37 | 99 | Prague | S | 23 | 73 |
| Cardiff | S | 21 | 70 | Reykjavik | F | 10 | 50 |
| Cologne | S | 23 | 73 | Rio de J'o | S | 26 | 79 |
| Copnhagn. | F | 20 | 68 | Rome | F | 25 | 77 |
| Dublin | S | 17 | 63 | Singapore | S | 31 | 88 |
| Edinb'rgh | F | 20 | 68 | Stockholm | C | 13 | 55 |
| Frankfurt | S | 24 | 75 | Strasbourg | S | 24 | 75 |
| Geneva | S | 21 | 70 | Sydney | S | 17 | 63 |
| Glasgow | F | 18 | 64 | Tehran | C | 20 | 68 |
| Helsinki | F | 14 | 57 | Tel Aviv | S | 25 | 77 |
| Hong Kong | C | 28 | 82 | Tokyo | F | 21 | 70 |
| Jo'burg | S | 22 | 72 | Toronto | S | 26 | 79 |
| Lisbon | C | 22 | 72 | Vienna | S | 22 | 72 |
| London | S | 24 | 75 | Warsaw | S | 24 | 75 |
| Luxemb'g | S | 23 | 73 | Zurich | S | 20 | 68 |

**HOLIDAY RESORTS**

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | S | 21 | 70 | Istanbul | F | 27 | 81 |
| Algiers | S | 24 | 75 | Jersey | S | 25 | 77 |
| Biarritz | S | 27 | 81 | Las Plms. | C | 21 | 70 |
| Blackpool | S | 20 | 68 | Locarno | S | 23 | 73 |
| Bordeaux | S | 27 | 81 | Majorca | S | 23 | 73 |
| Boulogne | S | 19 | 66 | Malaga | F | 23 | 73 |
| Cap Town | R | 16 | 61 | Malta | S | 21 | 70 |
| Casablnca. | C | 21 | 70 | Nairobi | S | 21 | 70 |
| Corfu | C | 20 | 68 | Naples | F | 16 | 61 |
| Dubrovnik | F | 20 | 68 | Nice | S | 22 | 72 |
| Faro | R | 19 | 66 | Nicosia | S | 32 | 90 |
| Florence | F | 24 | 75 | Oporto | S | 24 | 75 |
| Funchal | C | 20 | 68 | Rhodes | F | 28 | 82 |
| Gibraltar | F | 22 | 72 | Salzburg | F | 20 | 68 |
| Guernsey | S | 21 | 70 | Tangier | R | 20 | 68 |
| Innsbruck | S | 21 | 70 | Tunis | C | 21 | 70 |
| Inverness | C | 18 | 64 | Valencia | S | 24 | 75 |
| Isle of Man | S | 15 | 59 | Venice | F | 23 | 73 |

S—Sunny. F—Fair. C—Cloudy. R—Rain.



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